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Zimbabwe: political strains begin to tell, Page 8

NEWS SUMMARY

GENERAL

Lebanon battles block Tripoli

Gun-battles between pro- and anti-Syrian groups paralysed the northern Lebanon port of Tripoli, the country's second city, for the sixth day, with the death toll since Friday about 50.

The city's leading politician, former Premier Rashid Karami, said he was returning from a visit to Syrian President Hafez al-Assad in Damascus with a team of Syrian officers charged with trying to control the violence.

Tripoli has been controlled by Syrian troops since the 1976 Lebanese civil war.

U.S. sanctions case

U.S. Government charged Stephen Carter of Chicago, Paul Sakwa of Washington, and Gerald McCall of Toronto with conspiring to export a $5m diesel engine assembly line to the Soviet Union in late 1982 in violation of federal law.

Corsican ban

The French Government outlawed the separatist Corsican National Liberation Front, responsible for a new wave of violence on the island.

The Irish Government outlawed the Irish National Liberation Army, which claimed responsibility for the Ballykelly massacre, over the border in Northern Ireland.

Governor released

Assistant Governor Gerry Schofield was released from Parkhurst Prison, Isle of Wight, England, after being held at knifepoint by two prisoners. The siege ended after one prisoner, a convicted murderer, was allowed to see his trial lawyer in the presence of a journalist.

Agnew repayment

Former U.S. Vice-President Spiro Agnew repaid the state of Maryland, of which he was Governor, $268,482 to cover bribes a court ruled he had taken.

Englewood v Libya

Englewood, a small city in New Jersey, called on U.S. Secretary of State George Shultz to evict the Libyan Ambassador to the United Nations from a $1m house bought last week for an alleged violation of the Foreign Missions Act, and to rescind the sale as unlawful.

Crash predicted

An unmanned Soviet observation satellite has dropped out of orbit, and will probably crash on earth in the next few weeks, say U.S. officials.

Glemp a cardinal

Polish primate Archbishop Josef Glemp was one of 18 new cardinals named by Pope John Paul.

S. Africa tour off

A planned cricket tour of South Africa, by a largely West Indian international team, has been cancelled.

Artillery attack

Vietnamese-led forces launched artillery attacks against Kampuchean guerrillas near the Thai border, killing or wounding 50, said the Thai army.

Briefly . . .

Underwater expert Capt George Bond, Sealab pioneer, aged 67, died in San Diego.

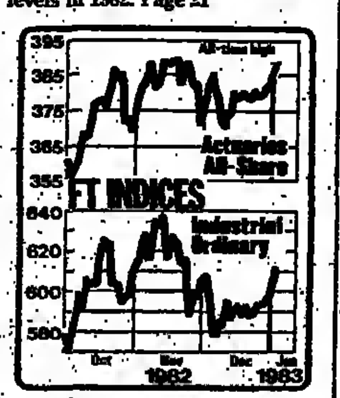
Four people were killed and more than 100 injured in election violence in Andhra Pradesh, south India, Page 3.

BUSINESS

Davison named as Lloyd's chief

● IAN HAY DAVISON, a leading British accountant, was named as the first chief executive of Lloyd's, the London world insurance market which has been rocked by recent scandals. He will be paid £120,000 ($195,000) a year. Page 5

● LONDON: FT Industrial Ordinary index pushed up 13.8 to 612.7, and the All-Share index reached a record 390.10 with a 1.8 per cent gain. Government Securities showed marginal falls. Stock Exchange turnover reached record levels in 1982. Page 21



● TOKYO: Nikkei Dow index improved by 44.75 to reach a record 8066.15 (previous peak was 8026.99 on December 7). Stock Exchange index was up 1.26 to 593.9. Page 20

● WALL STREET: Dow Jones index was down 1.19 at 1,044.89. Page 20

● HONG KONG: Hang Seng index was up 8.36 at 769.97. Page 20

● AUSTRALIAN all-shares index put on 8.3 at 496.2. Page 20

● FRANKFURT: Commerzbank index gained 5.7 at 777.6. Page 20

● DOLLAR continued to slip, falling to DM 2.347 (DM 2.361), FFr 6.6625 (FFr 6.691), SwFr 1.957 (SwFr 1.985), and Y228.85 (Y229.15). Its Bank of England trade-weighted index dropped from 117.2 to 117. Page 26

● STERLING followed the fall of the dollar, against which it dropped 25 points to $1.622, reaching DM 3.81 (from DM 3.835), FFr 10.805 (FFr 10.86875), SwFr 3.175 (SwFr 3.225) and Y371.5 (Y372.25). Its trade weighting dropped from 83.8 to 83.5. Page 26

● GOLD rose $7 in London to $456.5, $5.5 in Frankfurt to $455, and $4 in Zurich to $450.5. Page 19

● WEST GERMAN Government turned down an appeal by the Korf Stahl group for short-term help.

● EEC statistics office said prices increased 0.8 per cent in the Community in November, giving an annual rate of 9.7 per cent, lowest since July 1979, and below 10 per cent for the first time in over three years.

● HONG KONG could achieve a growth rate of 6 per cent in 1983/84, said Financial Secretary John Bremridge.

● OPEC'S monitoring committee will meet in Jakarta on February 4 to discuss "a just and fair" distribution of its new 18.5m barrels a day production ceiling.

● CUBA has indicated that it will not make any repayments this year on medium- and long-term foreign loans. Page 4

● SWISS state economists expect the country's gross national product to decline 1.4 per cent this year.

● ALCOA of Australia and ICC Construction of South Korea are planning an A$1.2bn ($1.18bn) aluminium power station complex in Western Australia. Page 11

● PECHINEY Ugine Kuhlmann of France studies favour a C$1.2bn ($978m) aluminium smelter near Montreal.

● STATOIL, Norway's state oil company, more than doubled pre-tax profits in 1982 at NKr 2.9bn ($415m). Page 11

AT & T to join Philips in digital switching venture

BY PAUL BETTS IN NEW YORK AND WALTER ELLIS IN EINDHOVEN

American Telephone & Telegraph, the dominant U.S. telecommunications company, and Philips, the Dutch electrical giant, yesterday announced agreement in principle to form a joint venture for the marketing of digital switching systems.

The partnership could become a powerful force in the world telecommunications market, where the leading contenders include L.M. Ericsson of Sweden, CIT-Alcatel of France, Nippon Electric of Japan, Siemens of West Germany, Plessey and GEC of Britain, and the U.S.-owned International Telephone and Telegraph.

The new business, in which both companies would participate equally, would seek to sell its products worldwide outside the U.S. It is expected to start operating in the autumn. No cash value has been put on the venture.

The agreement is the most ambitious move made by AT & T to re-establish itself on the world market after concentrating almost exclusively on its vast U.S. Bell System for the past 50 years.

But it seems certain to arouse political controversy in Europe. President François Mitterrand of France expressed anger and concern last autumn that it could undermine European efforts to forge closer industrial links in electronics.

France and many other European countries also fear that AT & T's international expansion could jeopardise their own efforts to use investment in telecommunications as a springboard to develop stronger national high technology industries.

AT & T first began exploring the world market in the mid-1970s when it won a large contract in Iran, later cancelled by the Khomeini regime. It also has contracts in Saudi Arabia and South Korea and owns 45 per cent of Telectron, a small Irish manufacturer.

It has intensified its international efforts since a decision was taken to split up its U.S. telecommunications system as a result of an anti-trust settlement reached a year ago.

Mr Gerrit Jeelof, a Philips director in charge of telecommunications, yesterday described the prospective deal as "a good fit between two companies, good for our people and good for our future."

AT & T's latest system represented the state of the art in digital switching, while Philips, with its experience of systems adaptation and its marketing strength, could help ensure its commercial success.

Digital public exchanges, which make extensive use of microchips, are essentially specialised computers which handle communications as a stream of data.

David Marsh writes from Paris: M. Alain Gomez, the chairman of nationalised French concern Thomson-Brandt, is to meet Mr Wisse Dekker, the head of Philips, in Paris on Saturday to discuss the two companies' plans for a joint European offensive against Japanese competition in consumer electronics.

COMMUNICATIONS REVOLUTION

AT & T, the world's largest corporation, has begun the mammoth task of dismantling itself and entering a challenging new world of open competition. The Financial Times begins on Monday a major series on AT & T's transformation and its important implications for world telecommunications and information processing.

East bloc 'offer of peace' to Nato

By David Buchan, East Europe Correspondent, in London

THE WARSAW PACT yesterday offered Nato a non-aggression accord, in what leaders of the Eastern bloc described as a "new grand peace proposal" drawn up at their two-day summit meeting in Prague.

The proposal is contained in a resolution unanimously adopted by Mr Yuri Andropov, the Soviet Communist Party leader, and the heads of state of the Soviet Union's six East European allies. A brief communique, carried by the Czech news agency, said the resolution's full text, to be published later, would be relayed to the 35 countries taking part in next month's review session of the European Security Conference in Madrid, and possibly distributed as a United Nations document.

Warsaw Pact foreign ministers are to "debate further steps to translate this initiative into reality" at their next regular meeting, the communique said.

But on past form, Nato is likely to regard the peace pact offer as a propaganda ploy which does not go to the roots of East-West tension, which the Western alliance sees as lying in the Soviet build-up of nuclear and conventional forces.

This was the Western view of two previous Warsaw Pact calls for a non-aggression agreement, made in 1958 and 1963.

The initiative follows recent arms control proposals from Mr Andropov, who has held the top Kremlin job for only two months, and it may strike a chord with Western peace movements.

These movements have recently stepped up their protests against Nato's plans to start placing new U.S. cruise and Pershing missiles in Western Europe later this year, in response to the Soviet Union's existing force of medium range SS 20 missiles.

Herr Hans-Dietrich Genscher, the West German Foreign Minister, said yesterday that the new proposal would be "seriously valued and examined" in Bonn. "The policy of renunciation of force is the policy of the Federal Republic and the entire West," he added.

Marshal Viktor Kulikov, the Soviet commander of the Warsaw Pact's joint forces, this week briefed political leaders in Prague on the state of East bloc military preparedness.

Continued on Page 10

World Bank cuts cost of borrowing

BY ANATOLE KALETSKY IN WASHINGTON

THE WORLD BANK yesterday cut borrowing costs for its developing country clients, and projected a sharp increase in profits. It said new financial techniques agreed last July by the bank's directors had helped it raise a record $8.2bn on international financial markets in the past six months with "relative ease," at an average interest rate of 9.02 per cent.

The bank, which is the world's largest development institution and the biggest non-resident borrower on the capital markets of Europe, the U.S. and Japan, is reducing its interest rate on loans agreed since July last year from 11.43 per cent to 10.97 per cent, adjustable every six months.

It is also halving, from 1.5 per cent to 0.75 per cent, a special front-end commitment fee imposed for the first time a year ago to shore up the bank's declining profitability.

Mr Moeen Qureshi, the bank's senior vice-president for finance, told a news conference yesterday that despite these reductions in lending charges, there were good prospects for profits "closer to $700m than the $598m earned in 1982 and $610m in 1981.

The developing countries' financial problems have had no direct impact on profitability, partly because the bank's client governments have never sought to reschedule loans or defaulted on their World Bank borrowings.

Only $4m of the bank's loan book of more than $30bn were overdue by 60 days or more at the end of September. By December 31, this figure had been reduced to zero, according to Mr Eugene Rotberg, the bank's treasurer.

Mr Rotberg attributed the increasing profitability to several factors. Swap transactions of $1.3bn with foreign institutions had made it easier to tap low-cost capital markets, particularly the Swiss market, in which the bank borrowed a total of $1.8bn between July and December last year.

The bank's investment department had achieved a "very healthy" spread and "very significant" capital gains in its money market operations. Liquidity had risen by about $2bn to $11.5bn and $100m has been earned on this money in the past six months in capital gains alone.

Mr Rotberg said the total financial return on this $11.5bn, which he called the bank's "petty cash position" had been 24 per cent in the past six months.

Despite the balance of payments crises in many developing countries, Mr Qureshi said the board had rejected the idea of "parking" some of these short-term funds in developing countries' currencies, because this would be inconsistent with the bank's long-term development goal. He said short-term balance of payments assistance was the job of the International Monetary Fund.

IMF seeks Saudi blessing, Page 4

Bid to defuse fish dispute

BY OUR FOREIGN AND COMMODITIES STAFF

THE EUROPEAN Commission last night gave interim legal backing to British measures to keep Danish trawlers from fishing in its territorial waters.

A published declaration sent to Community governments said that with immediate effect new fishing limits introduced by Britain and other EEC states would have the force of law until January 26.

The Commission hopes the decision will defuse a potential clash between Danish ships and British fisheries protection vessels in fishing grounds off Britain.

Diplomatic attempts to resolve the difference between the UK and Denmark continued yesterday.

Herr Hans Dietrich Genscher, the West German Foreign Minister, appealed to Denmark to accept the planned new fishing regime which has been agreed by the nine other member states.

Mr Uffe Ellemann-Jensen, the Danish Foreign Minister, suggested that Herr Genscher, who currently holds the Presidency of the EEC Council of Ministers, should call an early meeting between the Danish and British Foreign Ministers and EEC Commission officials in Brussels.

Mr Ellemann-Jensen also renewed his appeal to the rebel Danish skipper, Mr Kent Kirk, to avoid provoking Britain by continuing with his plan to challenge British authority by fishing inside the UK's 12-mile limit.

Seventeen other Danish trawlers were detected in Scottish waters yesterday and all were reported to be operating normally and legally.

The Commission's decision last night came after three days of discussion aimed at defining the precise legal status of the current fishery regulations.

Commission support is vital if British legal action to control Danish trawlers is to have the weight of European law.

Sailing into legal wrangle, Page 2;
Editorial comment, Page 8

Qatar and UAE scrap Pym visit

By David Tonge, Diplomatic Correspondent, in London

BRITAIN's prestige in the Middle East suffered a major blow yesterday when Qatar and the United Arab Emirates joined Saudi Arabia in refusing to receive Mr Francis Pym, the Foreign Secretary.

The last-minute change of stance forced Mr Pym to postpone a trip to the two Gulf countries and Oman due to start next Monday. It was the second time Qatar had changed its position in recent days. Yesterday morning's Qatari newspapers had said the trip was on.

The Arabs' refusal to receive Mr Pym reflects the sharp decline in Britain's credibility as a force in the Middle East peace process since it set terms for receiving an Arab League delegation which included a member of the Palestine Liberation Organisation.

Mr Pym said last night that he believed Arab countries do not want their bilateral relations with Britain harmed. "There is no suggestion of economic measures," he said. But officials are frightened that Arabs responsible for awarding contracts may think twice before putting them Britain's way.

The row follows a major dispute in the government over how Britain should respond to a request by the Moroccans that a PLO representative should join in the Arab League delegation.

Mrs Margaret Thatcher, the Prime Minister, rejected any suggestions that she should meet with the PLO. In fact it was still not clear last night whether she was prepared to receive all the six Arab foreign ministers – from Algeria, Jordan, Morocco, Saudi Arabia, Syria and Tunisia – who were due to travel with King Hassan of Morocco.

Instead she insisted that only Mr Pym should receive the full delegation including the PLO – and this only if the delegation subscribed to a declaration condemning terrorism and moving towards conditional recognition of Israel.

The Arab League delegation had been due to visit Britain as part of the follow up to the Fez summit. Similar delegations have already visited the other permanent members of the United Nations Security Council – China, France, the Soviet Union and the U.S.

Paris hesitates on interest rate cut

BY DAVID MARSH IN PARIS

THE FRENCH Government is hesitating, partly because of worries over the franc, in its much-proclaimed aim of helping industry by bringing down interest rates.

The Finance Ministry has been preparing an announcement on a far-reaching reduction of interest rates on savings deposits throughout the banking system, designed to pave the way for a cut in companies' borrowing costs.

Contrary to widespread expectations – shared also by some Government officials – no announcement was made yesterday, although M Jacques Delors, the Finance Minister, may make a statement today.

The Finance Ministry last night firmly denied that the hold-up was the result of doubts about the effect of any announcement on the foreign exchange markets. But officials connected with monetary policy have been making clear for weeks that the Government will have to proceed cautiously in easing credit costs to avoid damaging the currency.

Although the franc has risen sharply in recent weeks against the dollar, it has fallen slightly below its mid-point against the D-Mark within the European Monetary System, (EMS) requiring substantial intervention support from the Bank of France.

Apart from deciding a one point

Continued on Page 10

Japan likely to cut discount rate, Page 10

UK reserves fell by $1bn as £ faltered

BY JEREMY STONE IN LONDON

BRITAIN'S official reserves of gold and foreign currency fell last month by more than $1bn as the Bank of England intervened heavily in the currency markets in an attempt to stop excessive fluctuations in the value of sterling.

During the three weeks before the Christmas holiday sterling weakened against the dollar from $1.83 to less than $1.60 and against the D-Mark from DM 4 to DM 3.83.

UK reserves at the end of December stood at $17bn, compared with $23.4bn 12 months earlier, and lower than at any time since before the Conservative Government took office in 1979.

The underlying drop in reserves was $856m. This figure excludes annual repayments to the U.S. under Lend Lease and other long-running obligations.

Although the underlying movement in reserves does not indicate precisely how much the central bank spent on "smoothing operations" in the currency markets, the level of intervention was certainly much higher than in November, when such operations were thought to have cost about $350m.

Government sources pointed out yesterday that the foreign exchange markets were thin and exceptionally volatile in December, and without such frequent intervention by the Bank there might have been exaggerated fluctuations.

The weak oil price ahead of the Organisation of Petroleum Exporting Countries meeting and the sharp rises by the yen and D-Mark against the dollar contributed to the markets' volatility.

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Lex, Page 10

CONTENTS

Danish fisherman may sail into long legal wrangle

BY LARRY KLINGER IN BRUSSELS

THE voyage to Britain by Mr Keot Kirk, the militant Danish fisherman and Member of the European Parliament who is sailing for UK waters to challenge the EEC's new fishing rules, will be o great deal shorter than the voyage to his declared aim of obtaining a European Court judgment on the issue.

The European Commission last night continued to wrestle with its own legal problems to make good its pledge to co-ordinate the fishing enforcement measures taken by Britain and various other EEC member-states.

As they were doing so, legal experts were pointing out that the best Mr Kirk could hope for is a court ruling within six months. And that, they said, was an optimistic view.

Even if be were to succeed in being arrested and then obtaining an immediate trail, be would have to convince the magistrate that points of law required reference to the Luxembourg court.

Il the magistrate supported Mr Kirk's view, the European Court would then have to seek information on the case from several EEC institutions and from various member-states before a hearing could be held. That takes, on average, about two months.

After a hearing to examine arguments from all interested parties, one of the court'a advocate-generals would give a ruling. That would be followed by an examination by the full court and a definitive judgment, requiring, in all, at least another four mooths.

This is optimistic, the experts say, because Mr Kirk migbl also bave to exhaust appeal procedures in the British courts before be could, if ever, successfully obtain a reference to Luxembourg.

The quickest route to the European Court would be for the Danish Government to bring an action against the Commission saying that it bad acted illegally. This might bring a swift ruling, especially, if Copenhagen were to request an interim injunction urgently.

That prospect seems highly unlikely at present. The Danisb Government not only asked for parliamentary approval of a deal that would include most of the new measures but also tried to dissuade Mr Kirk from making his voyage.

A third route to Luxembourg would be for the Commissioo to take legal action against a member-state, although this, on the lace of it, would be an absurdity.

Foreign Minister urges Kirk to abandon threat

BY HILARY BARNES IN COPENHAGEN AND MARK MEREDITH IN EDINBURGH

THE DANISH Foreign Minister, Mr Uffe Ellemann-Jensen, yesterday appealed to Mr Kent Kirk, the Esbjerg trawler owner and Member of the European Parliament, not to carry out bis threat to fish within the British 12-mile limit. Mr Kirk'a trawler, the "Sand Kirk," was due to reach waters off the Britisb coast at obout midnight last nigbt.

The Foreign Minister said Danish fishermen do not usually fish within the 12-mile zooe, and lf Mr Kirk does so it will embitter feelings and complicate the mediation ottempts which Herr Hans Dietrich Genscher, West Germany's Foreign Minister and the current president of the EEC council, is expected to make.

There is a feeling in Denmark that if the Danes act too provocatively it will generate a "Falklands psychosis" in Britain, which would be counterproductive.

Herr Genscher was reported bere yesterday as saying that the fisheries conflict was of Danish making, and that Denmark sbould reconsider its rejection of the CFP.

The Edinburgb operations room of the Ministry of Agriculture and Fisheries for Scotland reported that all Danisb vessels active in British waters appeared to be operating normally and legally.

UK's EEC rebates 'not spent on projects'

By Jnhn Wyles in Brussels

THE EEC'S Court of Auditors yesterday waded into the controversy over Britain's special rebates from the Community budget, by concluding that the £685m ($1.12bn) paid to the UK in 1981 did not actually fund any spending programmes.

The implication that EEC money is merely adding to the British Treasury's revenues and not generating regional and other development projects might fuel the European Parliament's opposition to any more special budget deals for the UK.

In rejecting a supplementary budget last month aimed at paying back £500m of Britain's contributions to the EEC's 1982 budget, the Parliament insisted that the imbalance between UK contributions and receipts should be corrected by genuine Community spending programmes.

The Parliament will be presented with a new supplementary budget next month and both the European Commission and the British Government, through the Council of Ministers, will have the task of persuading MEPs that the money is earmarked for development programmes which line up with the EEC's political priorities.

Examining the rebates paid in 1981 – which were meant to offset the UK's 1980 budget payments – the Court of Auditors claims that very few, if any, of the programmes that London said the money was to be spent on actually owed their existence to the rebates.

The programmes listed by fbe UK "mainly concerned operations decided upon or even already under way and were all drawn op on annual basis."

A British official said yesterday that the Goverment's 1980-81 budget proposals had specifically listed a number of programmes whose implementation was conditional on receipt of EEC rebates. Several programmes had been launched by the time the final rebate regulation had been adopted in October 1980, because the political agreement guaranteeing the budget refunds had been wrapped up on May 30.

Madrid is taking a fresh look at companies in crisis, writes **Robert Graham**

Spain's industrial firefighter settles in

THE CORRIDOR outside the Spanish Minister of Industry's office is lined with seven portraits of recent ministers. They look as though they have been painted so quickly that the artist was afraid the minister might lose his job before tbe sitting was over. There have been seven ministers in as many years bnt Sr Carlos Solchaga, the new incumbent, aims to settle in for a longer stay.

Small, quietly spoken and the clearest thioker ln tbe cabinet, Sr Solchaga is drawing up the main lines of strategy for a ministry which has never enjoyed the importanre it deserves—partlcularly in vlew of Spain's serious induatrial problems.

Large and vital sectors of Spanish induatry in crisis include aluminium, chemicals, domestic appliances, shipbuilding, steel and textiles. But the Industry Ministry has traditionally been an administrator of an empire split into separate and all-powerful fiefdoms like the state holding company INI, the large utilities, and Campsa, the petroleum distribution monopoly, rather than having a more general control.

Sr Solchaga, wbo is aged 38 and was educated at Massachusetts Institute of Technology, has the down-to-earth appcoach typical of his native Basque country.

He is conlronted with the immedlate need to evolve an industrial strategy and tackle the fate of major companies like lhe chemicals conglomerate, Union Explosivos Rio Tinto (ERT) and Spain's largest aluminium producer, Aluminio Espanol now in temporary receivership. "The previous approach to industries in crisis was not sufficiently global. Instead of really dealing with sectors it was more of a fire-fighting operation," he says.

A ministerial team is already studying all sectors in crisis. And the Government of Sr Leopoldo Calvo Sotelo passed an industrial restructuring decree in July 1981 which gave companies access to substantial state assistance. This decree has several defects, according to Sr Solchaga.

It was too oll-embracing and lax, permitting any company to take advantage if it had sufficient political pull. More importantly, "no odequate check was made to see whether funds were being used for restructuring or whether they went into paying wages, operational cash needs or merely to repay banks."

In some instances, says Sr Solchaga, the restructuring plans were little more than a means for banks to wriggle out of their risks. In others, funds were deliberately misused. "Proceedings have already been initiated against Kelvinator (the domestic appliance company) for misuse of funds," he says.

The decree was given o time-scale: companies and sectors had to apply for state assistance by the eod of December 1982. Although not happy about the decree, Sr Solchaga believes lts framework has to be utilised. Its provisions will continue until the end of tbis year.

"Anolher mistake has been to attempt to refloat companies with lhe same management which was responsible for the crisis. The restructuring of a company must have credibility and there is no credibility either in front of the creditors, suppliers or workforce if tbe same people are entrusted to admlnister reorganisatlon who were running the companies before they got into difficulties."

Sr Solchaga intends to replace the management of ERT lmmediately. The fote of ERT, Spain's largest private industrial group, affects government strategy in a range of other areas. Sr

> The Industry Ministry cannot afford to be a prisoner to lobby groups. Industrial plans must be government plans, not those of a particular sector which exerts pressure.

Solchaga belleves there has to be a reduction in ERT's debt servicing payments (currently there is a moratorium on $1bn (£625m) worth of principal) and that assets will have to be sold off. He accepts tbe possibility of establishing a new mixed national fertiliser entily grouped round ERT's fertiliser interests, Cros, and the state fertiliser group, Enfersa. He also wants to rationalise ERT's oil refining capacity.

Sr Solchaga also wants to cut Spain's oil refining capacity as a whole. This is the first official public admission of a principle which has been widely accepted for some time. He sees no sense in having four private refining groups in the country and a reduction in capacity will be part of a revision of the national energy plan.

"We are golng ahead witb a revision of the plan and e commission is already being formed to do tbls. The main lines of energy policy will be first, a balt on the expansion of nuclear power; second, rationalisation of refinery capacity; third, boost further use of coal-fired power stations and the conversion to coal-fired power in the cement and other industries; fourth, a re-examination of the use of gas." A commission ls also being set up to study crude purchases and strategic stocks.

One of the Socialist Government's electoral pledges was to nationalise tbe high tension grid network. Sr Solchaga concedes the main purpose of this move is to exercise greater control over tariffs and the little-known compensation fund for the private utilities. The fund is a form of cartel whereby utilities which use larger amounts of hydro-electricity compensate those more dependent on fuel oil.

Already, Sr Solchaga has ordered an audit of electricity tariffs. He also says that Campsa, controlled joinlly by the state and the private sector, will lose its independence and pass into the tutelage of the state energy holding company, INH.

Sr Solchaga, who has experienced the public sector of industry from working with Ini and the private sertor with Banco de Vizcaya, helleves the ministry must alter in several main ways.

- The ministry's traditional emphasis on large companies' problems must change to include small- and medium-sized companies.
- The Ministry cannot afford to be a prisoner to lobby groups. "Industrial plans must be Government plans not those of a particular sector which can exert pressure."
- The Mlnistry is too bogged down in odministrative details like lndustrial regulation which could be much more efficiently decentralised to local authorities.
- The passive role of the Ministry has to end — though not necessarily becoming interventionist. The Ministry should act as a catalyst. One of his projects is to creote on industrial reorganisation entity, similar to Britain's Industrial Reorganisation Organisation.

None of bia plans have pretensions to great originality. Rather he wants to ahake-up a torpid system to realise its potential. As a small detail of his business-like approach, lhe interview was at 9 am. In five years in Spain, this correspondent has never been ushered into a minister's office so early.

Genscher pronounces the FDP 'as fit as a fiddle'

BY JONATHAN CARR IN BONN

"THE FREE Democrat Party (FDP) is as fit as a fiddle," said Herr Hans Dietrich Genscher with a half-smile and raised eyebrows as though faintly astonished that anyone could think otherwise.

The FDP leader and West German Foreign Minister was speaking yesterday at a press conference which, in effect, opened his party's campaign for the general election on March 6.

Neither in word nor bearing did he give a hint that the FDP's parliamentary existence and his own 13-year ministerial career were in grave danger.

Since switching coalition partners from the Social Democrats (SPD) to the Christian Democrats (CDU) last October, the FDP has seen its nationwide support plummet to below the minimum 5 per cent needed to gain Bundestag seats.

Many of the party's top figures have either joined rival organisations, like the SPD, or relapsed into sad silence. Herr Genscher has been called an opportunist and worse time and again by his political foes. Yet be spoke as though the place of the liberals in a new parliament as guarantor of "a middle road" in politics was already assured.

With a finesse born of long diplomatic experience, Herr Genscher managed to bave his political cake and eat it several times in the 45-minute press conference.

He stressed that it would not be fair to attack the foreign policy strategy of his SPD opponent, Dr Hans Jochen Vogel, because the latter was on a visit to Washington.

On the other hand, he could not remain silent about what he felt was the SPD's gradual abandonment of the western position on nuclear missiles talks with Moscow.

The key domestic campaign issue would be the battle against unemployment, which currently stands at 2.2m and the FDP was at one on strategy with its CDU government partner, Herr Genscher said.

He greatly hoped the CDU would give up its discussion about possible tax increases.

Few people, not even in his own Foreign Ministry, are ready to bet much that Herr Genscher will still be in office after the next election.

But on current showing, and admittedly he is a master actor, Herr Genscher is not simply determined to go down with all flags flying – but not to go down at all.

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Forecasts 1983

Trade tensions may worsen

STEEL

IAN RODGER

DEMAND FOR steel in the Western world could well begin to recover in the second hall of 1983, but this would be of little comlort to most producers in industrialised countries.

Steel capacity in North America, Eucope and Japan will continue to exceed demand by a wide margin and markets in these areas are likely to remain unstable despite attempts to maintain price and production discipline.

While industrialised countries are struggling to reduce capacity in line with pcobable demand, developing countries are rapidly increasing their production and, in some cases, exports. Steel could become another area of acrimonious confrontation between the rich and the poor countries.

The disastrous decline of the Westarn world's steel industry in 1982 came as a complete surprise to most forecasters. Mr Lenbard J. Holschuh, general secretary of the International Iron and Steel Institute, has illustrated this by comparing a forecast of 1982 consumption made by the IISI in October 1981 witb tbe updated version a year later. The earlier forecast onticipated a 5 per cent rise ln consumption to 484m tonnes, the latter, an 8 per cent fall to 421m tonnes. Moreover, since October, most experts have made further downward revisions and are looking for a figure of around 415m tonnes.

Understandably, some unusually wide gaps are showing up between the different forecasts for 1983, although there is a falrly wide consensus that a recovery should begln lo show up ln the second half.

Chose Econometrics, for example, is forecasting Western world consumption in 1982 of 412m tonnes, well down from 459m tonnes in 1981 but recovering next year to 420m tonnes.

The IISI is looking for 435m tonnes in 1983. Anthony Bird Associates of London suggests 417.5m tonnes for 1982 ond 426m tonnes for 1983.

Whatever the divergenre in the figures, the common assumption in these and other forecasts is that U.S. deliveries will begin to recover in the second half of 1983 from their dramatic drop in 1982. U.S. production is estimated to have fallen more than 40 per cent in 1982 to 62m tonnes. In oddition, there has been a 13m tonne decline ln inventories. Forecasters assume that even if there are only the beginnings of a recovery in real demand in the second half, production will be buoyed by inventory rebuilding. Chase Econometrics is looking for a 25 per cent lmpcovement in U.S. production next year, other forecasters for a more modest rebound.

The recovery in Eucope and Japan is expected to take longer and be less dramatic.

However useful they may be, these figures give little indication of the calamitous state of the steel industry in many countries and the kinds of stresses that lt will foce in 1983.

In the early 1970s, steelmakers in many industrialised countries invested heavily in new capacity in anticipation of rontinued rapld growth ln consumptlon. Since the first oil crisis, consumption growth rates have in fact been slow or flat. European and Japanese producers have had the additional pcoblem of gradually losing established export markets as developing countries bave installed their own steel-making facilities.

Britain has led the way in focing the costs of this disastrous sequence of events. Manned capacity at the British Steel Corporation has been cut from 24m tonnes a year in 1976 to 14.4m tonnes, manpower bas been slashed from 225,000 to 90,000 and more than £4.5bn has been written off the balance sbeet.

Still, UK consumption today is running below 12m tonnes a year, so more cuts are undoubtedly on the woy.

U.S. producers have a different problem. In general, they have not kept pace with steel production technology and now find themselves unable to compete, in terms of quality or quantity, with efficient European and Japanese producers.

U.S. producers were just embarking on a $5bn modernisatioo programme last year when the slump in demand suddenly eliminated their profits and started to drain their liquidity. All the major producers are now deep in loss and some projects have had to be postponed. The future of the whole U.S. industry ia uncertain and the coming year could see radical developments.

United Stotes Steel Corporation, for example, made a major diversification last January, buying Marathon Oil for $6bn, National Steel decided in September to get rid of a steel mill in West Virgina and has offered it to the employees at o substantial discount.

Japan's steel producers, too, are faced with o difficult period of adjustment now that the homa market is stagnating and export markets are becoming less accessible and less attractive. One answer may be to buy or build abroad. Kobe Steel seemed willing earlier last year to help finance a seemless pipe mill in the U.S. proposed by Wheeling-Pittsburgh, but nothing has been heard of the plan since the pipe market went sour.

Until last year, the European Community was the only area in the world where strong measures were in place to restrict foreign competition; but the past year has seen an epidemic of import curbs.

The beleaguered U.S. industry has led the way, sending o blizzard of anti-dumping and anti-subsidy writs down on producers all over the world. So far, the U.S. Government has won ogreement from the European Commission to restrain EEC steel exports, and now it appears to be turning its attention to Japan.

U.S. steel producers are alleging that Japan and the EEC bave divided the world steel market into "spheres of influence" to the detriment of the U.S. industry. The Japanese bave made clear that they are ready to negotiate on orderly marketing agreement with the U.S. Once this is done, the U.S. steelmen could well turn their attention to others.

Meanwhile, other countries hove caught the disease. Turkey bas slapped a 15 per cent duty on EEC steels in retaliation for EEC restraints on Turkish textile exports. Malaysia banned steel imports in Nnvember and even Japan has become agitated about the growth of imports from South Korea and Taiwan.

There is a growing tendency to blame the developing countries for the increasing tensions in world trade in steel.

This complaint seems premature. Tha vast bulk of world steel exports atill comes from the industrialised countries and, to an increasing extent, from Eastern Europe. The developing countries as a group consumed 109m tonnes of steel in 1981, but produced only 66.2m tonnes, some 15 per cent of total Western output. In short, they are still very large net importers.

The developing countries have big plans, though. The IISI estimates that their capacity will rise from 33m tonnes in 1973 to 110m tonnes in 1987. So the medium-term outlook for steel trade probably remains stormy.

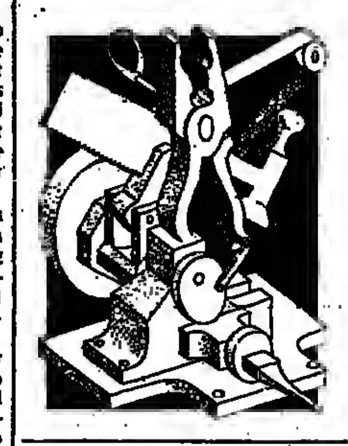
STEEL PRODUCTION IN MAJOR COUNTRIES

(m tonnes)

Country	Actual 1981	Forecast 1982	%	1983	%
Japan	101.48	99.5	−2.1	93	−6.5
U.S.	108.78	65	−40	75	+15
France	21.26	18.5	−13	18	−2.7
West Germany	41.61	36	−13.5	36	0
Italy	24.78	23	−7.2	23	0
UK	15.57	13.5	−13	13	−3.7
EEC 9 Total	125.40	111	−11.5	108	−2.7

Actual figures from International Iron and Steel Institute, forecasts are FT estimates

The Japanese meet resistance



MACHINE TOOLS

PETER BRUCE

IT IS fasbionable, when talking to people who make machine tools in the West, to affect an air of controlled resignation ot the mention of the word "Japan." It is widely assumed that Japanese machina tool manufacturers are poised for a final exports drive that will obliterate all but the mightiest western producers.

Those fears, prevalent in tha weaker western economies, could well be proved exaggerated during 1983.

Japanese manufacturers are ln trouble, both at home and abroad, where the U.S. and West Germany account for more than 60 per cent of their exports.

The Japanese machine tool lndustry has just completed its first year of negative growth since being hit seven years ago by the aftermath of the oil crisis. Whila Japanese manufacturers had prepared themselves for production worth Y800bn (£2bn) for 1982, 6 per cent down on 1981, machine tool lndustry analysts believe the real fall may have been closer to 30 per cent.

Some major companies are said to be in serious financial straits after cutting production by up to 50 per cent to match a dramatic slump in the domestic and export markets.

The Japanese producers are being aggressively confronted in the U.S. and West Germany, particularly on their most lucrative exports—numerically controlled machining centres and lathes. Exports of machining centres to the U.S. fell 10 per cent last year as U.S. manufacturers began to challenge the Japanese on price and reduced their order backlog to $1.5bn, less than six months, from 18 months in 1980, according to a study of the U.S. market published in December by Planning and Research Systems (PRS) in London.

Similarly in West Germany, the world's biggest exporter of machine tools, the Japanese are being met with the high volume marketing strategies that mirror thelr own. In 1980, for exampla, Maho, a privately-owned producer of machining centres and milling machines, made 30 NC machining centres. Last year its output of these macbines is estimated to have risen to 200.

PRS estimates that sales of Japanese machining centres in West Germany fell to 280 last year from 420 in 1981 as Japanese competitors like Yamazaki and Okuma lost their discount-assisted price advantage to improved economies of scale at some of the German producers.

Also, Japanese dominance in the conventional mach'ne tool markets in the Far East and South East Asia is being boldly challenged by products from Korea, Taiwan and the People's Republic of China. In fact, exports from these countries lnto Japan have reached levels which have prompted calls for protection from some Japanese manufacturers.

The Japanese, however, are trying not to allow the poor markets to overwhelm them. Mr Masanobu Hisano, President of the Toshiba Machine Company, said in a recent interview that there was "no danger" that the downturn in Japan's economy would hit machine tools as hard as the primary metal and construction industries. "When the economy turns down, the users opt for streamlining their operations by purchasing cost-efficient machines to improve productivity and competitive strength.

"New demands (being) created for ever more innovative machine tools . . . should serve to mitigate the extremes of ups and downs of the business cycle," he said. Although welcoming calls for Japan to open its market to imported machine tools, Mr Hisano was also mildly dismissive of any threat that foreign machines might pose to Japanese products.

"The foreign machines are at a disadvantage cost-wise. And technologically they lag behind Japan'a in terms of development of NC machines. They are overly conservative in developing advanced models of NC machines," he said.

While some U.S. and West German manufacturers might have something to say about those sentiments, the industries in those two countries are exceptions in the West. British, French and Italian machine tool builders do not, at present, have tbe musrle to rhallenge the Japanese effectively on their own.

Germany bas refused to go along with attempts by other European manufacturers to jointly fend off Japanese imports and a recent lone Britisb appeal for voluntary restraint from Japan appears to have fallen on deaf ears for the second time in three months. Nevertheless, a small number of manufarturers in the UK, France and ltaly bave begun to try and meet the Japanese head on. This coupled with the effect that the world recession is having on Japanese producers, could begin to slow their penetration of these markets this year.

UK manufacturers have been particularly alarmed at the rapid growth of imports of Japanese NC machining centres and lathes into the country. Japan's share of total machining centre imports into the UK grew from 1.1 per cent in 1976 to 60 per cent in 1981 and there is every possibility that the trend will continue this year, despite difficulties of some Japanese exporters, with most local producers simply unable to match the Japanese on price, volume and, in many cases, quality.

The French industry, much like its British counterpart, finds itself generally unable to compete either in the high or low technology end of the market. Unlike the UK manufacturers, however, French producers have been offered some protection by the Government, which imposed o "technical visa" on Japanese machine tools soon after coming to power.

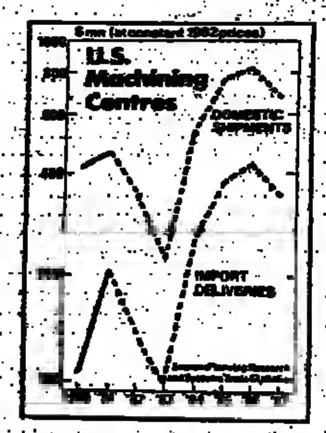
This delaying tactic, it was hoped, would allow domestic production of NC macbines, especially mochining centres, to rise from 30 per cent of the value of total machine tool production in 1981 to 70 per cent by next year.

The Itslian industry, led among others, by Olivetti, Mandelli, SAIMP and Berardi, is Europe's biggest after West Germany, and is likely to become increasingly vulnerable to cheap Japanese imports.

Most manufacturers, however, would not begrudge the Japanese a little local market share in return for signs of an upturn in the biggest market of them all, the U.S. The American market, worth $5.1bn ln 1981, in metal cutting machines alone, completely overshadows anything else, including West Germany (£1.4bn) and tha UK (£324m). The U.S. also accounts for roughly half of Japan'a exports.

Although the macbine tool market, along with the rest of the U.S. economy, ls currenlly languishing in recession, specialists predict on upturn towards the end of tbis year that could lead to record highs by 1986.

Hopes within the U.S. industry that local manufacturers will be able to take full advantage of the predicted upturn are tempered, however, by reports that up to 6,000 Japanese NC machine tools are being kept, unsold, ln store throughout the conntry. Some of these macbines, it is reported, have been offered at $80,000 compared to 1981 list prices of $230,000.



The FT is publishing a series of articles this week on the international outlook for key industrial sectors.

OVERSEAS NEWS

S. African Coloureds split on reform plans

BY J. D. F. JONES IN CAPE TOWN

SOUTH AFRICA'S 2.5m-strong Coloured community appears to be split in response to the government's plan for constitutional reform, following the decision of the Labour Party annual congress in Eshowe on Tuesday to negotiate with Pretoria.

The Labour Party delegates voted by a large majority for a resolution which, on the one hand, described the reforms as inadequate but, on the other, authorised the leadership to go into talks with the government.

The resolution, strongly urged by the party leaders, the Rev Allan Hendrickse and Mr David Curry, also came out in favour of participating in the proposed three-chamber Parliament.

Mr P. W. Botha's government could not realistically have hoped for a more favourable outcome, since the Labour Party has always been associated the radical stream of South African politics and has in the past refused to co-operate with government policies towards the Coloureds—for example, by boycotting the Coloured Representative Council.

The party has been one of the core members of the Black Alliance, together with the Inkatha Party, led by Chief Gatsha Buthelezi, chief minister of Kwazulu and one of the sternest critics of the government's constitutional plans.

Chief Buthelezi told the Labour Party congress on Monday that the Coloureds would become "second-class enemies" of the 20m black majority if they went along with the government on this issue.

The future of the Black Alliance is therefore under a question mark following the congress vote. Chief Buthelezi said yesterday that he had called a joint conference of the Alliance for February 18 to 19.

Answering Mr Hendrickse's argument that the Coloureds could use the government proposals to try to achieve a more favourable deal for the Blacks, Chief Butheleszi said that the Prime Minister had already said the blacks would never be included in the new dispensation. "We cannot take the Labour Party more seriously than we take the Prime Minister."

But the precise meaning of the congress resolution is open to question. Critics of the Labour Party leadership are already describing the vote as a sell-out.

On the other hand, the resolution spelled out that the party believed in equal status among the racial groups in a democratic and unitary state, rejected the proposals as not meeting party principles, and went on to condemn the exclusion of the blacks.

Some observers believe that the Labour Party leaders will now go into talks with the government at which they have already been given reason to hope for concessions on the original proposals.

Many entrepreneurs are having a field day, reports Nora Boustany in Beirut

Cheap Israeli produce sweeps Lebanon

WHILE LEBANESE politicians are still hedging on whether and to what extent relations with Israel should be normalised, to hundreds of Lebanese merchants and tourists this is no longer an issue.

Israeli exports to Lebanon have taken a quantum leap since last June, when Israeli forces invaded Lebanon. From a mere $800,000 (£495,000) in June, the value of Israeli goods coming into Lebanon totalled $4m in July, and $9.3m by October.

Lt Col Aacon Gonen, an Israeli army spokesman, has estimated that Israel's trade with Lebanon is already averaging $20m a month, half in transit goods and half in Israeli-made exports, which is around 10 per cent of Lebanon's estimated imports of $2.6bn last year.

A warning by Mr Chafik al Wazzan, the Lebanese Prime Minister, last November, that any Lebanese dealing with Israeli products will be stripped of his nationality has fallen on deaf ears. Business has been so brisk that an Israeli trade officer, Mr Daniel Kalanivas, has been stationed north-east of Beirut, ready with catalogues and addresses for Lebanese entrepreneurs eager to import and market low-priced Israeli goods.

"They have been coming to me by the hundreds," said Mr Katarivas. "I no longer keep a list."

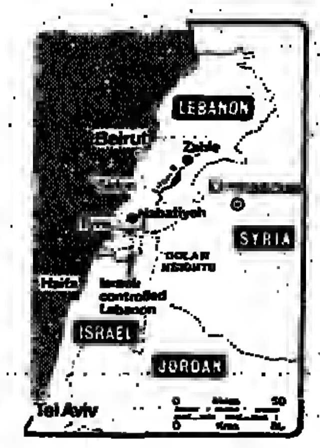
Lebanese authorities seem powerless to stop the tide of a de facto normalisation with Israel, while Israeli troops still control south and much of central Lebanon. Hundreds of Lebanese tourists, smugglers and businessmen are crossing into Israel every day.

This de facto normalisation with Israel was most evident at Christmas when thousands of Lebanese took package tour to Jerusalem, Tel Aviv, Haifa and other places in Israel. A three day visit costs less than L£200 (£32) while a seven-day stay including hotel and transportation costs L£300.

"We are planning our own counter-invasion," quipped one agent. Israel has also allowed Palestinians and other Arabs to visit during the holidays. Special security measures have been taken at the small border port of Rosh Hanikra, where a squad specialised in combating smuggling will carefully search Lebanese pilgrims.

Few Israelis go to Lebanon, since tourist travel has been banned due to still risky security conditions in Lebanon. However, Israeli businessman and truck drivers visit Lebanon freely. Fifty to 60 trucks laden with Israeli bananas, apples, avocados, tangerines, passion fruit, sugar, poultry, candy and biscuits, plastic ware and construction materials file through Rosh Hanikra daily.

The "dumping" of Israeli goods on Lebanese markets has become a source of major concern to the Lebanese Government, to say nothing of Lebanese importers' use of the Israeli port of Haifa, where customs duties are a negligible 2 to 3 per cent.



Unable to ban the import of cut-price fruits and vegetables, against which Lebanese produce cannot compete, the Lebanese authorities have approached Eastern Bloc countries to find markets for local agricultural production which would otherwise be wasted.

Twenty litres of Israeli olive oil were selling at L£150 in south Lebanon, while it cost Lebanese olive growers twice the price to produce the same amount. The Israeli Government has now stopped the sale of olives and olive oil in Lebanon, a commodity which provides the staple of many Lebanese farmers' income.

In Nabatiyeh, in south Lebanon's central sector, the market place is brimming with Israeli goods. "Don't talk to me about government policy," snapped a shopkeeper there. "The population in south Lebanon has been neglected for a long time; we buy what we can afford. When the Government is back in control and taking care of us come and talk to me about what is wrong and what is right."

On the streets of Beirut, fruit and vegetable vendors have no qualms about peddling produce coming from south of the border. "New fruit," said one sign stuck between boxes on a vegetable pushcart. Unfamiliar with what he was selling, Hussein Sultan, a Shiite from South Lebanon, was in fact promoting Israeli-grown avocados.

A competitor nearby was boasting about his tangerines at 12 pence per pound. "For nothing," he shouted. When told that Lebanese farmers were suffering from his kind of business, he shrugged. "I asked my Sheikh (Moslem religious community head) and he said it was all right as long as Israel was not written on the boxes."

Oblivious to the impact of their trade, these local middlemen may jeopardise Lebanon's badly needed Arab aid and markets for Lebanese exports.

The Saudi newspaper Al Riyadh reported recently that the Saudi Government has restricted imports from Lebanon after goods possibly manufactured or produced in Israel had reached the kingdom.

But Israeli officials in Beirut say they do not know whether Israeli products being shipped into Lebanon are finding their way to other Arab markets. The Saudi action suggests, however, that Lebanon may have already become a conduit for Israeli exports to the Arab world, long before a Lebanese-Israeli peace has been formatised.

If members of the Gulf Co-operation Council take Saudi Arabia's lead, Lebanon could be deprived of its main export outlets. The only Lebanese exports to Israel are junk cars and used tyres.

Mr Kataivas said that at the beginning of the Israeli push into Lebanon last year, Lebanese interest was mainly focused on food products. "In the beginning, there was a kind of curiosity about Israeli food products, candy and chocolates. Now this is dying out and giving way to other goods, such as shoes and plastic ware," he said.

The Israeli port of Haifa has been made accessible to Lebanese importers and this is cutting into Lebanese government revenues. The Lebanese treasury, heavily dependent on customs for its income, has only been able to collect L£400m out of a targeted L£26bn of duties in the last nine months.

The Haifa trans-shipment service opened during the Israeli seige of Beirut, when Israeli bombing and gunboat shelling closed Beirut harbour. A West Beirut smuggler of alcoholic drinks and cigarettes, who had previously used the Phalange-run private ports, charging one-third of the official customs duties levied at Beirut port, said Haifa was a much better bargain.

Indians killed in poll clashes

By K. K. Sharma in New Delhi

TWO people were killed yesterday in clashes between followers of Mrs Indira Gandhi's Congress(I) Party and the Telegu Desam Party of her main rival Mr N. T. Rama Rao, a former film star, during polling in the southern Indian state of Andhra.

In Andhra's capital, Hyderabad, police opened fire on rioters and at least 60 people were injured.

Polling in two other states — Karnataka in south India and Tripura on the north-east flank — was peaceful and the turnout less than 60 per cent, indicating an apathy which could affect the chances of the Congress(I).

Elections are being held to legislatures mid-way through Mrs Gandhi's five-year term. Her vote-catching ability has been put to a severe test.

Tripura has been ruled by a Marxist government for the last five years and, although Mrs Gandhi's party has put up candidates for all the 60 seats, the present left-wing government is widely expected to be returned to power.

Andhra and Karnataka have traditionally been ruled by the Congress, either by Mrs Gandhi's party or the parent unit from which it broke away. But the opposition is challenging strongly in Andhra, where Mr Rama Rao has formed a regional party which is thought to have a wide following.

Early trends in the results are expected today although the final position will be known tomorrow.

Vietnamese offensive

Vietnamese-led forces launched artillery, mortar and rocket fire against Kampuchean guerrilla camps near the eastern Thai border yesterday killing or wounding 50, according to Thai officials, Reuter reports from Bangkok.

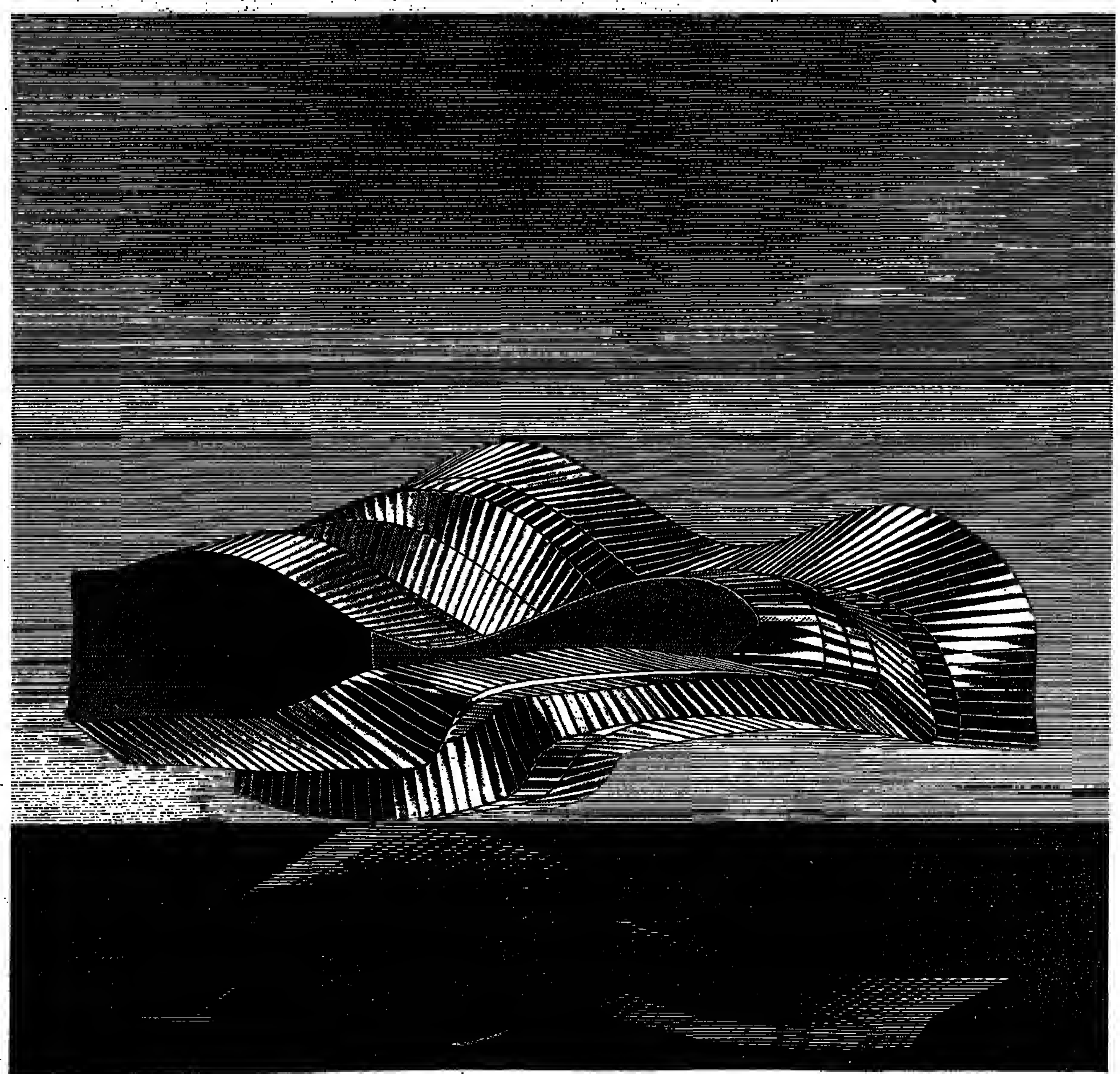
Zimbabwe arrests

Three men have been arrested in connection with the murder in Zimbabwe last month of white miner Ian Michael and his wife Isabel, the national news agency Ziana said yesterday, Reuter reports from Harare.

BASE LENDING RATES

A.B.N. Bank	10 %	■ Hambros Bank	10 %
Allied Irish Bank	10 %	Hargrave Secs. Ltd.	10½%
Amro Bank	10 %	Heritable & Gen. Trust	10 %
Henry Ansbacher	10 %	■ Hill Samuel	§10 %
Arbuthnot Latham	10 %	C. Hoare & Co.	†10 %
Armen Trust Ltd.	10 %	Hongkong & Shanghai	10 %
Associates Cap. Corp.	10 %	Kingsnorth Trust Ltd.	11 %
Banco de Bilbao	10 %	Knowsley & Co. Ltd.	10½%
Bank Hapoalim BM	10 %	Lloyds Bank	10 %
BCCI	10½%	Mallinhall Limited	10 %
Bank of Ireland	10 %	Edward Manson & Co.	11 %
Bank Leumi (UK) plc	10 %	Midland Bank	10½%
Bank of Cyprus	10 %	■ Samuel Montagu	10 %
Bank Street Sec. Ltd.	10½%	■ Morgan Grenfell	10 %
Banque Belge Ltd.	10 %	National Westminster	10 %
Banque du Rhone	11 %	Norwich Gen. Tst.	10 %
Barclays Bank	10 %	P. S. Refson & Co.	10½%
Beneficial Trust Ltd.	10 %	Roxburghe Guarantee	10½%
Bremar Holdings Ltd.	11 %	Royal Trust Co. Canada	10 %
Brit. Bank of Mid. East	10 %	Slavenburg's Bank	10 %
■ Brown Shipley	10½%	Standard Chartered	10 %
Canada Perm't Trust	10½%	Trade Dev. Bank	10 %
Castle Court Trust Ltd.	10½%	Trustee Savings Bank	10 %
Cavendish Gty Tst Ltd.	10½%	TCB	10 %
Cayzer Ltd.	10 %	United Bank of Kuwait	10 %
Cedar Holdings	10 %	Volkskas Intl. Ltd.	10 %
■ Charterhouse Japhet	10 %	Westpac Banking Corp.	10 %
Choulartons	10½%	Whiteaway Laidlaw	10½%
Citibank Savings	¶ 9 %	Williams & Glyn's	10 %
Clydesdale Bank	10 %	Wintrust Secs. Ltd.	10½%
C. E. Coates	11 %	Yorkshire Bank	10 %
Comm. Bk. of N. East	10 %		
Consolidated Credits	10 %		
Co-operative Bank	*10 %		
The Cyprus Popular Bk	10 %		
Duncan Lawrie	10 %		
E. T. Trust	10 %		
Exeter Trust Ltd.	11½%		
First Nat. Fin. Corp.	13 %		
First Nat. Secs. Ltd.	12½%		
Robert Fraser	11 %		
Grindlays Bank	‡10 %		
■ Guinness Mahon	10 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6.5%, 1-month 6.75%. Short-term £8,000 12 months 7.5%-9.1%.
† 7-day deposits on sums of under £10,000 6¾%, £10,000 up to £50,000 7¾%, £50,000 and over 8¼%.
‡ Call deposits £1,000 and over 6¾%.
¶ 21-day deposits over £1,000 7¾%.
§ Demand deposits 6¾%.
¶ Mortgage base rate.



Deutsche Bank's computer sculpture: Tangible Bond Business.

AMERICAN NEWS

Havana to halt repayments on foreign debt

BY HUGH O'SHAUGHNESSY

CUBA IS to halt repayments of principal falling due to Western creditors between the beginning of this year and the end of 1985. The amount involved is about $1.3bn (£813m). Interest payments will be maintained, according to a senior banking official in Havana.

The Cuban Government has asked its Western creditors at the end of August last year to give their agreement within three months to this move. It further requested agreement to the subsequent repayment of principal over a 10-year period including a three-year grace period.

Cuba has been halting repayment of principal since September last year but maintaining interest payments.

The response by bankers to the request from Cuba was frigid, despite much lobbying by Cuban financial authorities. Western bankers felt the terms being requested were too generous and would have set too much of a precedent for other borrowers.

Though U.S. banks have few loans outstanding to the revolutionary government in Havana, the Reagan Administration has let it be known that it would disapprove of too generous terms being conceded to Cuba by Washington's allies.

A creditors' meeting held in Paris last month broke up inconclusively and another is scheduled in the French capital for Monday. A senior Cuban banker yesterday commented: "We hope to come to an agreement in the course of this month."

In a speech delivered to the National Assembly in Havana and reported by Reuter yesterday, Sr Humberto Pérez, the head of Cuba's planning commission, said Cuba would be reducing further its purchases in hard currency. This year the island would be importing $965m worth of hard currency goods though the economy needed $1.5bn worth.

Hard currency imports, which represented 49 per cent of total imports in 1975, would this year represent only 14 per cent, he said.

Cuba has been hard hit by the continuing low levels of the international price of sugar, which makes up the bulk of its exports, an unwillingness by foreign banks for much of last year to maintain short-term credit lines and the continuing hostility of the Reagan Administration.

Brazil assured of $2bn in new loans this year

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

BRAZIL has received firm assurances covering just over $2bn (£1.3bn) of the $4.4bn total in new loans it is seeking from its 121 leading foreign creditor banks this year.

Bankers in New York said yesterday that positive replies to Brazil's request were continuing to flow in this week despite some underlying disagreements over how the exact amount to be contributed by each bank is calculated.

Brazil has asked banks to contribute 12.4 per cent of their medium- and long-term loans outstanding to Brazil as of June last year.

This means that banks with little or no short-term loans are having to put up a larger share of their total lending to Brazil than those whose lending is more concentrated on short term loans. In particular Japanese banks, who have been asked for a total of $727m, feel penalised compared with U.S. banks, who have been asked for $1.5bn.

However, most bankers agree the money will eventually be forthcoming. In Sao Paulo yesterday, Mr Toshio Watanabe, head of the Brazilian branch of Bank of Tokyo, said: "We are well aware of the difficulties Brazil faces and are willing to co-operate."

The new loans form part of a four-point package that also includes rescheduling $4bn in debt falling due this year,

Why a Fed watcher fell foul of the FBI

By Richard Lambert in New York

MR PAUL VOLCKER, chairman of the Federal Reserve Board, thinks Wall Street might be better advised to study sun spots. But however much they are told the numbers do not mean much any more, analysts still devote great efforts to crunching their way through the weekly money supply figures.

Sometimes, it seems, they go to extreme lengths in their pursuit of wisdom. Mr Theode Langevin, 34, a former economist at the Fed, was charged this week with wire fraud for allegedly trying to obtain confidential data from a Fed computer after he began working for E. F. Hutton and Co, one of Wall Street's biggest security firms.

Mr Langevin was hired by Hutton as a Fed watcher—one of the growing army of individuals who spend their time studying Mr Volcker's entrails—and it seems he took his job seriously.

In his first few days at the firm, it is alleged, he tried to get secret data about the nation's money supply by using the name and password code of a Fed employee in a bid to gain access by telephone to the Fed's computer.

The Fed's data bank contains confidential numbers, including money supply projections that would be of tangible value on Wall Street.

The court papers are thin on detail, but it appears the alleged tapping attempt caused red lights to flash on the Fed's computer.

This in turn excited the lively interest of the Federal Bureau of Investigation and the U.S. Attorney's office, who were reportedly able to track down incoming phone calls.

Mr Langevin's alleged enthusiasm for his new job was not, it seems, fully appreciated at Hutton. The firm says coldly that his contract was "terminated" less than a fortnight after he started work.

Credit risk institute

International bankers will meet in Washington next week to set up a new banking institute to collect credit risk data on borrowing nations, Reuter reports from New York.

Max Wilkinson examines Riyadh's role in the world financial system's stability

IMF delicately seeks a Saudi blessing

SIR GEOFFREY HOWE, the UK Chancellor, is due to fly to Saudi Arabia tomorrow on a delicate mission which could have important repercussions for the stability of the world's financial system.

Sir Geoffrey will be travelling in his new capacity as chairman of the interim committee of the International Monetary Fund (IMF) to discuss the major industrial powers' plans for a major increase in the fund's resources.

The delicacy arises because Saudi Arabia has already provided major support for the fund, and is expected to provide more in future, although it is not a member of the rich nations' club, the Group of Ten which dominates IMF policy-making.

Since last autumn, members of the group have been urgently discussing various ways in which quota subscriptions could be increased and whether a special "emergency support fund" should be established.

Now that agreement has almost been reached between the Group of Ten members, Sir Geoffrey's task will be to find out whether there are any objections in Riyadh which might jeopardise further Saudi support.

This support is in any case an important part of the jigsaw of agreements for strengthening the fund's resources on an accelerated timetable before the middle of next year.

Saudi Arabia has so far committed $8bn (£4.9bn) in loans to the fund under an agreement reached in April 1981, when the kingdom's voting power and subscription to the IMF was also increased.

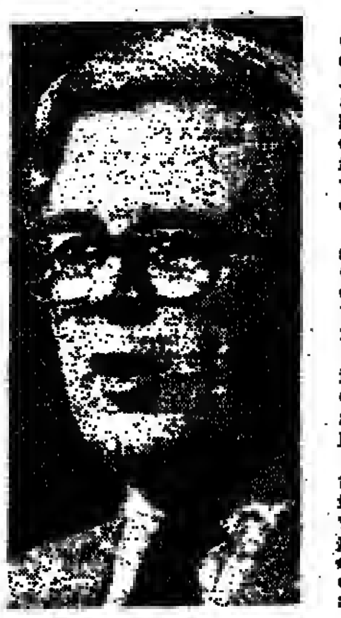
At that time, it was envisaged that a total of $12bn would be lent at market rates over a three-year period. Of this, $8bn has already been committed but the third tranche of up to $4bn has yet to be negotiated, and Mr Jacques de Larosière, the fund's managing director, will be travelling to Riyadh with Sir Geoffrey for talks about the third tranche.

These talks will be separate from Sir Geoffrey's discussions about the proposed strengthening of the IMF, but clearly the outcome of both discussions could be closely related.

The main proposals of the Group of Ten which Sir Geoffrey will put to the Saudi government are for:

- A 50 to 60 per cent increase in quota subscriptions to between SDR 90bn and SDR100bn (£62m to £69m).
- An extension of the General Arrangements to Borrow (GAB) to enable it to give general support to the fund as opposed to providing loans only to the 10 signatories, as at present. The GAB would be increased from $7.4bn to about $20bn.

The idea of an extended GAB has now subsumed the original idea of a "crisis fund" suggested by the U.S. at the Toronto meeting of the IMF last autumn.



Sir Geoffrey Howe: on a delicate mission

This original idea was never regarded with much favour by European governments, which saw it mainly as a device for persuading the U.S. Congress to agree to an adequate increase in the resources available to the fund without an "unacceptable" rise in quota subscriptions.

When it was decided to extend the GAB, one obvious question was whether Saudi Arabia should be admitted to an enlarged GAB. This would have given the kingdom a political influence on the international financial stage commensurate with its importance as a creditor nation.

However, in the two decades since the GAB was set up, the Group of Ten has assumed its own political character as the talking shop for the major industrial nations.

In many ways, Saudi Arabia is quite different and has different interests from this group of the Western powers plus Japan.

It is now thought unlikely that Saudi Arabia would want full membership, because that would oblige it to go along with majority decisions even if they conflicted with its interests in other groupings, for example among the Arab states.

Sir Geoffrey's task will therefore be to talk about these ideas, and perhaps the sensitivities which the Saudi Government may have in relation to them. One possibility is that the Saudis could have observer status, but it is not clear whether this will be discussed this week.

If, as seems probable, the Saudi Government raises no major objections to the plans for the IMF, the stage will be set for agreement amongst the Group of Ten at the next ministers' meeting in Paris on January 18. At this meeting it is expected the next interim committee meeting of the IMF will be brought forward to early February for final ratification of the proposals.

The "sherpas," as IMF officials are sometimes called, have already secured general agreement for the increase in quotas and the expansion of the GAB, although precise amounts still remain unsettled. Anxieties about the reaction of the U.S. Congress are still a restraint.

On the other hand, many governments, including the U.S. Administration, are increasingly worried about the possibility that some commercial banks might start to draw in their lending programmes and so worsen the crisis factor facing debtor nations like Mexico, Brazil, Argentina and several Eastern bloc countries.

Central bankers have recently been putting heavy pressure on some of the commercial banks to keep up their lending, but they realise that a strengthened IMF would be an important factor for boosting confidence.

Conversely, any dragging of feet by the international authorities could have a very demoralising effect on the banks.

Saudi Arabia, which has as large an interest as any country in the stability of the Western banking system, should—on this question at least—need no persuasion from Sir Geoffrey.

VW faces $70m race law suit

BY PAUL BETTS IN NEW YORK

BLACK AMERICA, *suffering* what it sees as an unjustifiably high share of the U.S. unemployment and economic recession burden, is again stepping up its offensive against U.S. business. The latest company to be at the centre of a socially sensitive race discrimination case is Volkswagen of America.

The U.S. subsidiary of the West German car maker is facing a $70m racial discrimination law suit filed in a Pittsburgh federal court by the so-called VW black caucus on behalf of nine former employees at the company's car and truck assembly plant at Westmoreland in Pennsylvania.

Mr Tom McDonald, the chief spokesman for Volkswagen of America, *confirmed yesterday* the suit had been filed alleging racial discrimination and seeking $20m in damages and an additional $50m in punitive costs.

He said the company had not had an opportunity to review the contents of the suit filed by the nine former employees. But he said "VW stands on its record of minority employment." Mr McDonald said the company had traditionally maintained an 8½ to 10 per cent minority employment level at its Westmoreland plant which employs a total of about 4,500 people.

The U.S. subsidiary of VW has been conducting an internal company investigation since the race discrimination charges were made last winter and certain *employees had filed complaints* with the Pennsylvania Equal Employment Opportunity Commission. The charges included allegations that the company discriminated against blacks mainly through its promotion process.

The VW issue comes at a time of renewed activity by black groups seeking to increase job opportunities for blacks whom, these groups claim, have suffered from the recession and President Reagan's economic policies far more than perhaps any other minority in the U.S. Mr Jesse Jackson, the flamboyant black preacher, has especially been active through his organisation Push, People United to Save Humanity.

Ford seeks productivity pacts with suppliers

DEARBORN, Michigan — Ford Motor has said it will award longer contracts for car and truck parts to suppliers who agree to raise labour productivity and pass the cost savings to Ford.

Ford said the longer contracts will be given to those of its 2,000 suppliers who agree to increase output by as much as 8 per cent a year, starting this year.

Ford, the first U.S. car maker to seek such agreements, declined to disclose the length of the proposed contracts. It said they would vary according to the value, complexity and age of design and manufacture.

Several suppliers said Ford had offered contracts of three to seven years, against one to three years at present.

They said the 8 per cent annual output improvement applies only to long-term contracts and depends on product maturity.

The suppliers said "a very few" of them would qualify for lengthier contracts under Ford's productivity formula, also used by Japanese car makers to hold down parts and components costs.

Officials at several large suppliers said longer contract awards from Ford would begin as early as next October, the start of the 1984 car model year.

WORLD TRADE NEWS

ECGD raises rates on fixed term finance

By Paul Cheeseright, World Trade Editor

THE Export Credits Guarantee Department (ECGD) yesterday disclosed the first increase in rates for fixed term export finance since last summer.

Its published reference rate, based on the experience of six major trading banks and worked out on the basis of three months libor (London interbank offered rate), was 10.833 per cent. The actual charge for borrowers, taking into account the 0.875 per cent margin paid by the Treasury to cover bank costs, is 11.708 per cent.

The increase, which reflects the experience of the banks in the four weeks to January 4, checks the declining trend in fixed rate export finance rates. The rate for the previous four weeks was 9.61 per cent. In September, the rate was 10.897 per cent and in October 9.753 per cent.

The movement in fixed rate export finance rates has followed the movement in domestic interest rates and the cost to the Treasury of supporting export finance during the current financial year should still be considerably less than the £587m paid out during the 1981-82 financial year.

The Treasury has been bridging the gap between the cost to the commercial banks of borrowing money for export credits and the rate at which it has been permissible, under international guidelines, to on-lend the funds.

Since last June, the international guidelines have laid down rates of between 10 per cent and 12.4 per cent for officially supported export credits, with repayment periods of between two and 8½ years. Such credits are usually used to finance the purchase of capital goods by developing countries.

The effect of a lower ECGD reference rate in the closing months of last year meant that new business taken on under the *fixed rate export finance* scheme did not attract a Treasury subsidy, at least for most borrowers covered by the international guidelines.

The cost of supporting former business, in addition to new business taken on under the higher pattern of interest rates, could mean a Treasury subsidy in the current financial year of about £400m.

Mr Abe . . . urged to encourage imports

Kohl makes trade pledge to Abe

By Jonathan Carr in Bonn

WEST GERMANY has pledged to Japan it will fight trade protectionism, but Tokyo must do more to encourage imports and cut its big trade surplus with the European Community.

This conditional promise was made by Chancellor Helmut Kohl yesterday in talks with the visiting Japanese Foreign Minister, Mr Shintaro Abe.

Herr Kohl welcomed Japan's latest tariff cuts decision, and said Bonn would fight protectionist tendencies—both in the EEC context and at the next Western economic summit conference in the U.S. in May.

But he added that to do this effectively it needed to have "further positive signals" from Japan on the trade front. Mr Abe received the same message during earlier talks with Herr Hans Dietrich Genscher, the West German Foreign Minister.

Both sides underlined in an official statement that they feared no competition—so long as this took place on a fair basis. But Mr Abe also expressed the view, *in a* separate statement, that the sale of foreign goods in Japan was by no means as hard as Europeans often tried to suggest.

Bonn's overwhelming national interest (with an overall visible trade surplus of around DM 50bn (£12.5bn) in 1982) lies in opposing protectionism.

David Housego in Paris examines the row surrounding Mitterrand's import curbs

France's hard liners keep the pressure on

French President Francois Mitterrand has declared he is "not a supporter" of protectionist beliefs. But his advocacy of French self-sufficiency is generating much sympathy, particularly from Socialist radicals and the Communist party, who favour tough curbs on imports

WHATEVER ELSE the French Government had in mind when it announced new measures last October to curb imports, it clearly did not intend the international hue and cry against French protectionism of which *it has since been the victim.*

It was a somewhat defensive President Francois Mitterrand who said on French television last weekend: "I am not a supporter of protectionist beliefs" and added that France was no worse a sinner than other countries.

Officials now say that the measures had a two-fold political purpose. But it is important first to remember that the import curbs—most notably the requirement that customs documents be written in French and that all video tape recorders (VTRs) be processed through a central customs point at Poitiers—were taken shortly after the shock of the record FFr 12.2bn (£1.12bn) trade deficit for September. They were the actions of a rattled government which had not fully weighed the consequences.

The domestic political intent was to provide some reassurance to those on the left of the ruling Socialist-Communist coalition who had been clamouring for more active protectionism.

This lobby includes such radicals within the Socialist Party as Mr Christian Goux, head of the Finance Commission in the National Assembly, M Andre Laignel, the Socialist deputy and treasurer of the party who characterised the Government's recent concessions to industry as "presents to the employers" and M Pierre Joxe, the leader of the parliamentary party.

The Socialist radicals would prefer tough curbs which achieved an overall 10 per cent cut in imports rather than further deflating consumer demand by fresh reductions in purchasing power — which is the only alternative. They recognise that a substantial part of France's import bill, including oil imports, cannot be cut. So there would have to be a proportionally sharper reduction in goods from France's major trading partners.

This lobby also includes the Communist Party, whose support the Government needs to carry through its austerity policies. The Communists, and in particular the Communist led-CGT union, have made the "reconquest of the domestic market" a major issue.

M Mitterrand has a good deal of sympathy for this "buy French" policy as emerged over the weekend when he told his television interviewers that "as much as possible we must manufacture what we consume."

He cited as an example the fact that France possesses the largest forest area within the EEC but is still a furniture importer.

The second intention of the import curbs, officials say, was directly to warn the Japanese and to jolt EEC Governments into taking the joint industrial and commercial policies which France believes necessary to prevent a further avalanche of imports.

M Jacques Delors, the Finance Minister has made clear that the French feel in a strong position to put pressure on their partners. The costly reflation of the French economy last year helped prop up European industry by providing fresh markets in *France when sales elsewhere* were falling.

The most important aspect of this joint European approach, as presented by M Mitterrand to last year's EEC summit in Copenhagen, is more active industrial co-operation.

The French are convinced that they have persuaded Chancellor Helmut Kohl's administration to push through politically the Thomson-Grundig link-up, under which Thomson was to take a 75 per cent stake in Grundig, once the West German elections are out of the way in March.

They also believe that the West Germans are now more favourable to launching a major European Currency Unit denominated European loan geared to the revival of European industrial investment.

The second plank of the French approach involves the gradual reduction of internal customs barriers within the Community. M Mitterrand's administration has been much surprised by the range and sophistication of internal EEC non-tariff barriers, ranging from West Germany's technical standards requirements to Britain's limited number of customs posts.

But as a pre-condition of lowering trade barriers within the EEC, the French insist that there must be a tougher joint EEC commercial policy against damaging surges of imports from outside — and particularly from Japan. France believes that intra-EEC barriers are necessary because of the inadequacy of the EEC's joint commercial policy.

The October import curbs have had a negligible effect in themselves on reducing France's trade deficit. This has fallen from FFr 12.2bn in September to FFr 6.9bn in November, but for different reasons.

Nevertheless, this is still almost double the level the Government had anticipated. France's trade deficit last year is likely to be between FFr 90bn and FFr 100bn, compared with *just under FFr 60bn* in 1981.

Protectionist pressures are thus bound to remain strong. In addition to the radical lobby within the coalition, there are those who see an intellectual justification for protectionism, such as M Jean Marcel Jeanneney who published an influential book, "For a New Protectionism," in 1978. He recently returned to the attack with a front page article in *Le Monde* on the "Good uses of protectionism."

UK group wins China brewing deal

By Our World Trade Staff

DANBREW CONSULT, the know-how export subsidiary of United Breweries, has won a second order to assist in the modernisation of China's breweries.

The company is to provide process know-how for the Beijing general brewery, which with an output of 600,000 hectolitres a year is one of China's largest breweries.

In autumn, 1981, Danbrew won a contract to help modernise Kwangchow brewery. The company is in talks with several other breweries and hopes to obtain new orders, said Mr Jens Due, Danbrew's chief executive.

The contracts are for relatively small sums of money, but gives Danbrew a lead in to what it hopes will prove a growing market.

Iran and China sign $500m trade pact

IRAN AND China intend to boost their trade volume to $500m in the next Iranian year beginning on March 21, IRNA, the Iranian national news agency said.

Two memoranda of understanding, which among other things provide for co-operation in scientific, agricultural and technical fields, were signed in Tehran yesterday by a Chinese economic delegation and officials of Iran's Ministry of Commerce. *Barter trade between the two* countries will amount to $300m with non-oil goods accounting for 50 per cent of Iran's exports to China.

Dutch secure Thai airport contract

THE DUTCH company Netherlands Airport Consultant BV (Naco) has been selected by the Thai Communications Ministry for a contract worth Baht 135m (£3.7m) to carry out preliminary work on a new international airport near Bangkok, according to Thai officials.

The contract is for a master plan, soil analysis and preliminary design work for an airport at Nong Ngu Hao to supplement or replace the existing Don Muang airport.

Plans to build a new airport at Nong Ngu Hao have been in the making for more than 10 years. Flight frequency at Don Muang is increasing by 5 to 6 per cent a year and the airport is expected to reach saturation point in about 15 years.

Arms become Egypt's second largest export

BY CHARLES RICHARDS IN CAIRO

EGYPT MADE $1bn from arms exports in the last financial year, making arms the country's *second largest export after* petroleum.

But Field Marshal Abdel Halim Abu Ghazala, the Defence Minister, told Parliament that revenue from the sale of weapons to other countries went to pay for new arms for Egyptian forces. This indicates that his Ministry sells and in part buys arms independent of the Treasury — in effect a measure of departmental self-financing.

Egypt exports locally produced spare parts, ammunition and rocket fuel for its pre-1972 Eastern Bloc weaponry, as well as material produced elsewhere *from the Egyptian inventory.* There is also evidence Egypt is keen to buy arms from the West, sometimes with the express purpose of resale.

Iraq is the principal buyer of *arms from Egypt to help in its* war with Iran. It buys mainly spare parts and ammunition, but it has also bought a number of Soviet-built T-55 tanks, which Egypt has largely replaced for its own armed forces.

Egypt still hopes to set up a sizeable arms industry, export-oriented towards the Arab world.

Despite the Arab boycott of Egypt Mr Abu Ghazala said Egyptian military training personnel were in Kuwait, Iraq, north Yemen, and the United Arab Emirates (UAE), besides the three Arab countries that *have maintained relations with* Cairo — Somalia, Sudan and Oman.

Koreans win Singapore deal

SSANGYONG Construction of Seoul has won a $320m contract in Singapore last week to build a 71-storey structure which will be the tallest building in Asia, Ann Charters reports from Seoul. The structure, called Raffles City, will house an hotel, offices, and shopping arcades by the end of 1985.

The Development Bank of Singapore had three bids for the project, including one from Ohbayashi Gumi of Japan and one from Low Keng Huat, a joint venture between British and Singaporean concerns. Ssangyong's initial bid was understood to be the highest, but after discussions with Raffles City developers, Ssangyong came down in its pricing.

Ssangyong began the excavation for the project two years ago and is now completing foundation work. All phases have been up for separate bidding.

Airlines to seek formula for North Atlantic fares

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

FURTHER EFFORTS by the airlines flying the North Atlantic to agree on cheaper *fares for the route this summer* will be made at a meeting in Hollywood, Florida, starting next Monday.

The meeting, under the auspices of the International Air Transport Association, will include both members of the association and non-members, with about 40 airlines involved. *Earlier meetings late last year* achieved only limited results.

The aim will be to try to establish a fares package for the coming summer that will take account of consumers' desires for reduction in fares, while meeting airlines' needs for fares that will help them to cover current losses.

The IATA estimates that in 1982, its members collectively incurred losses of close to $600m on the North Atlantic route, and that unless some *fares rises are enforced, this* figure could rise in 1983.

At the same time, the airlines are concerned that, by increasing fares, they may drive away even more traffic from scheduled services to charter operators.

In the first nine months of last year, for example, the number of charter passengers across the North Atlantic, at fares below scheduled service levels, rose 24 per cent to over 2m.

- World air travel showed only a marginal growth of about 2 per cent during 1982, according to preliminary estimates by the International Civil Aviation Organisation, the aviation technical agency of the UN.

Howe admits profits are at 'all-time' low

BY LYNTON McLAIN

PROFITS in industry are at an "all-time and dangerous low," Sir Geoffrey Howe, the Chancellor of the Exchequer, said yesterday at the monthly meeting of the National Economic Development Council.

The meeting of the council, the top forum for economic debate for both sides of industry and the Government, was dominated by pay, the refusal of the Government to stimulate demand and by a gloomy paper from the Treasury on the dire difficulties facing the British economy.

The Chancellor acknowledged that "today's low profits are tomorrow's low investment." He made the point in response to a paper from the Confederation of British Industry (CBI), the employers' body, on the decline of company profitability and finances.

Sir Geoffrey said everybody recognised that profits were a prerequisite for recovery. But there had been only an "extremely modest recovery in 1981 and 1982," he said.

Nevertheless, the Treasury warned in a paper on the economic outlook that "major action to boost demand is unnecessary." It would not help to tackle the real problems with poor competitiveness at the core of the problem."

Britain's manufacturing cost-competitiveness remains some 15 per cent to 20 per cent worse than it was in early 1979, the Treasury said in its paper.

None of that could be attributed directly to exchange-rate movements according to the Treasury, "because the effective exchange rate bad returned in mid-December to around or slightly below its level in the second quarter of 1979." The comparison with 1979, however, did not give a measure of the full extent to which Britain had lost competitiveness over receot years.

● The new director general of the National Economic Development Office is to be Mr John Cassels, it was announced yesterday. He is second permanent secretary at the Management and Personnel Office.

Pressure for wages by cheque

By William Hall, Banking Correspondent

THE GOVERNMENT is not expected to press for legislation to encourage the 13m workers paid weekly in cash to have their wages paid directly into bank accounts. The move could save the UK economy an estimated £400m in a full year.

Sir Geoffrey Howe, the Chancellor of the Exchequer, told the National Economic Development-Council (NEDC) meeting yesterday that Britain lagged well behind most Western countries in still having a large proportion of its workforce paid weekly in cash.

Sir Geoffrey emphasised the need to hasten progress, but the meeting – attended by representatives of the employers' body, the Confederation of British Industry, and the Trades Union Congress (TUC) – came to no clear conclusion on the need for legislation.

One of the obstacles to change is that workers are given the right by the old-fashioned Truck Acts to insist on being paid in cash.

It became clear from yesterday's meeting that the TUC saw advantages in a further move towards payment via bank accounts.

Imports surge predicted

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE OUTLOOK for the UK economy this year is for slow growth, worsening unemployment and little further progress against inflation, according to a Financial Times analysis of 21 forecasts published today.

The consensus of the most recent forecasts suggests that unemployment will increase by about 300,000 this year, although the level predicted has to be treated with caution because of statistical discrepancies.

For similar reasons, the average inflation forecast cannot be regarded as precise. However, it is clear that many forecasters are expecting the inflation rate by the end of 1983 to be slightly higher than at the end of last year. The average of all the forecasts suggests that the annual rate will be broadly unchanged.

The forecasters are unanimous in predicting a substantial increase in import penetration into the UK in 1983, with a weak export performance.

Some forecasters believe the volume of imports might be as much as 7 per cent more than the level in 1982. Even the most optimistic predict an increase of 3 per cent. The average of all 21 forecasts suggests an increase in imports of 5 per cent by volume in 1983.

All 21 forecasts suggest that there will be a substantial recovery in consumers' demand this year. They disagree on the extent of the recovery within a range of an increase of about 1½ per cent to 3 per cent, compared with last year.

However, because of the increased leakage into imports, the forecasters are more pessimistic about the extent of the recovery of output. The consensus suggests a growth rate of about 1½ to 1¾ per cent this year, although Liverpool University, which has been consistently optimistic about the course of the economy, is predicting growth of 2.9 per cent.

Of the predictions for this year's inflation rate, the Liverpool group is also the most optimistic, althougb the gap between its forecast and the consensus has oarrowed during the past two years.

It is now predicting an average inflation rate of 4 per cent io 1983, which is not far from the Treasury's prediction of an annual rate of 5 per cent in the early and later parts of the year.

Most other forecasters, however, are considerably more cautions and several expect the annual rate of inflation to be 7 per cent or more by the end of this year.

Lloyd's appoints new chief

BY JOHN MOORE, CITY CORRESPONDENT

MR Ian Hay Davison, a leading British accountant, is to become the first chief executive of Lloyd's of London, the insurance market, for a salary of £120,000 a year. It will be one of the highest-paid administrative posts in the City of London.

His appointment was announced yesterday by Sir Peter Green, chairman of Lloyd's, as a new ruling council for its insurance market met for the first time.

Mr Davison's appointment has been made after an initial personal approach to him by Mr Gordon Richardson, the Governor of the Bank of England, who had been coocerned for some time about the series of scandals which have rocked the 300-year-old insurance market.

Sir Peter said yesterday: "I thought the Governor would be more effective in obtaining Mr Davisoo's services than I would."

Mr Davison, wbo is 51, is a senior partner of the accounting firm of Arthur Andersen. He could emerge as one of the most powerful administrators in a City financial institution.

In a surprise move, Lloyd's said Mr Davison was to be a deputy chairman of the market as well.

Advertising ban on opticians criticised

BY GARETH GRIFFITHS

BRITAIN'S opticians are not making excessive profits, according to the Office of Fair Trading (OFT). But it finds that legal restrictions on advertising by opticians have led to higher prices for spectacles thao if there were more competition.

The OFT's report (Opticians and Competition, HMSO £5.75) was published yesterday after a year's investigation into the industry. The ioquiry was prompted by Government awareness of public concern at the high cost of privately dispensed spectacles.

The report makes no recommendations and the OFT says any changes will have to come from primary legislation. It points out, however, that if advertising were allowed, prices migbt fall.

The report states that if the legal monopoly of doctors and registered opticians over the supply of spectacles were lifted, a minority of customers would choose to buy from oon-registered sellers more cheaply than from opticians. Any possible health risk would be offset by the advantages io market competition policy, althougb the OFT says the issues are so wide that only the Government can take the decision.

Opticians' profits in recent years have oot been excessive, the OFT says. The average pre-tax profit per optician was about £12,000 to £14,000 in 1981. Profits on this basis had to cover the optician's salary and contribute to interest payments and renumeration of capital.

The OFT believes that the greatest stimulus to improvements in efficiency and price competitiveness would come from a relaxatioo of the restrictions oo advertising. The consumer at preseot is effectively denied informatioo not only on the range and price of spectacles but also on the location of opticians and the services offered.

The OFT says this lack of information contributes to the ability of opticians to fix prices without regard to other opticians. There is also less pressure on opticians to pass oo price reductions to the public.

A survey by the Consumers' Association last summer found that in Greater London there was a range io price from £44 to £103 for the same optical prescription.

The OFT does not give any precise indications about the scale of the price reductions if restrictions on competition were to be abolished. However, improved National Health Service fees which are to be paid for eye testing and dispeosing should meao a fall in private spectacle prices of 15 per cent – if the benefits were passed on to consumers.

The other maio downward pressure on prices would come from improvements io efficieocy. The OFT wants to see a change in the structure of the optical industry

Company failures rise 35% to record level

BY CHARLES BATCHELOR

A RECORD number of companies weot into liquidation in 1982, reflecting the continued downturn of British industry, according to tha latest survey by Dun & Bradstreet, the business information group.

Total liquidations in England and Wales rose to 11,131, an increase of 35 per cent on 1981 and of more than 63 per cent on 1980.

Creditors' voluntary liquidations rose by more than 35 per cent over 1981 to 7,403. Compulsory winding-up orders increased by more than 34 per cent to 3,728, Dun & Bradstreet said. Bankruptcies amoog individuals, firms and partnerships rose more than 0 per cent to 5,436.

Dun & Bradstreet blamed industry's difficulties oo the lack of financial cootrols. It pointed to the reduction in inflation and lower interest rates as positive factors.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1976=100); engineering orders (1975=100); retail sales volume (1978=100); retail sales value (1978=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unem-ployed	Vacs.
1981							
4th qtr.	101.0	89.6	90	105.4	168.5	2,600	104
1982							
1st qtr.	100.6	89.3	92	106.6	141.3	2,679	112
2nd qtr.	101.1	88.9	88	106.2	145.4	2,743	107
3rd qtr.	101.7	88.4	84	108.7	151.0	2,837	111
February	100.7	89.7	94	106.1	137.6	2,680	113
March	101.1	89.8	87	106.6	142.3	2,688	111
April	101.3	89.1	96	105.9	146.1	2,715	110
May	101.5	89.4	94	105.9	145.4	2,740	107
June	100.4	88.0	75	106.8	144.8	2,773	105
July	101.5	88.3	82	107.6	152.2	2,814	111
August	101.5	88.4	84	109.2	150.9	2,832	114
September	101.9	88.6	86	109.1	150.1	2,866	107
October	101.5	87.9		109.2	158.6	2,885	114
November				109.5	-	2,903	114

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, moothly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1981							
4th qtr.	93.3	89.3	122.9	85.8	82.3	75.6	11.6
1982							
1st qtr.	92.4	90.8	121.0	86.3	80.6	73.9	14.7
2nd qtr.	91.8	91.6	122.0	86.5	77.3	72.1	17.5
3rd qtr.	91.4	91.4	122.6	86.5	71.8	71.7	17.7
February	93.0	91.0	121.0	86.0	82.0	75.0	15.2
March	93.0	92.0	122.0	87.0	79.0	73.0	17.5
April	92.0	92.0	123.0	86.0	80.0	74.0	17.1
May	93.0	92.0	122.0	87.0	79.0	73.0	17.7
June	91.0	92.0	121.0	86.0	72.0	69.0	17.6
July	91.0	92.0	123.0	86.0	72.0	71.0	17.3
August	91.0	91.0	122.0	87.0	71.0	70.0	10.5
September	92.0	92.0	123.0	87.0	72.0	74.0	19.8
October	93.0	90.0	122.0	86.0	69.0	73.0	15.0

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1981							
4th qtr.	131.8	125.7	+490	+1,497	+698	99.7	23.35
1982							
1st qtr.	125.6	122.5	+323	+733	+707	101.5	18.97
2nd qtr.	130.4	129.1	+125	+887	+891	101.7	17.70
3rd qtr.	124.3	125.1	+401	+1,007	+1,264	100.9	18.30
February	124.0	120.2	+177	+313	+289	101.2	23.37
March	132.2	124.5	+260	+397	+231	101.7	18.97
April	133.4	128.5	+224	+479	+418	101.8	18.16
May	131.7	134.0	−115	+145	+311	101.4	17.82
June	126.1	124.8	+ 9	+263	+162	101.9	17.70
July	125.4	123.6	+178	+379	+410	101.2	17.94
August	117.2	123.9	− 34	+168	+479	101.5	18.11
September	130.2	127.8	+257	+458	+375	100.0	18.30
October	127.4	124.9	+259	+489	+496	98.7	18.50
November	133.1	125.9	+470	+700	+506	98.4	18.00
December							17.00

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three mooths' growth at annual rate); domastic credit expansion (£m); building aocieties' net ioflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end-period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1981							
4th qtr.				+2,365	451	2,081	—
1982							
1st qtr.				+3,194	967	2,187	
2od qtr.	2.1	8.2	26.2	+4,583	1,344	2,188	
3rd qtr.	15.2	12.6	28.3	+4,851	1,796	2,399	
September	14.2	14.0	28.8	+1,440	668	845	
October	24.0	18.2	32.4	+2,866	886	800	
November	17.4	12.2	25.4	+1,261	763		

INFLATION—Indices of earnings (Jan 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity iodex (July 1952=100); trade weighted value of sterling (1975=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1981							
4th qtr.	214.6	237.3	229.2	306.5	285.6	248.97	89.7
1982							
1st qtr.	216.9	238.2	234.3	311.6	297.7	242.40	91.1
2nd qtr.	222.7	240.0	238.2	321.5	304.1	233.46	90.3
3rd qtr.	227.8	244.9	242.0	323.0	297.0	228.88	91.4
February	217.0	240.1	234.4	310.7	297.2	241.77	91.5
March	219.7	235.7	235.5	313.4	299.8	242.40	90.8
April	219.6	239.2	237.8	319.7	302.6	246.84	90.0
May	222.5	237.7	238.3	322.0	305.6	237.39	89.9
June	226.0	243.2	239.2	322.9	304.1	233.46	91.1
July	230.3	245.0	241.0	323.0	299.5	229.51	91.2
August	226.9	244.1	241.7	323.1	295.5	229.60	91.4
September	226.2	245.6	243.2	322.9	295.9	228.56	91.7
October	228.0	246.4	245.1	324.5	296.5	227.18	92.5
November		251.6	246.4	326.1	298.8	228.03	89.5
December						238.84	85.6

*Not seasooally adjusted.

MANAGEMENT: Marketing

EDITED BY CHRISTOPHER LORENZ

Adland's own favourites

Feona McEwan asks rival agencies for their 1982 nominations

HOW will 1982 be regarded in the ad industry? Financially, it was memorable in that it rode the recession, weathering the storms with considerable style and emerging thinned down perhaps but fighting fit. But what about the ads? Were they a memorable lot . . . or will they sink without trace, out of sight and out of mind?

Who better to answer this question than those people who spend their lives searching for the elusive message to sell the product; a message that must be catchy, arresting, entertaining, visually or aurally stimulating, brand-building, product-pushing, amusing—and, ideally, all of these things.

As curiosity mounts over the imminent unveiling of the new Guinness campaign and the revamped British Airways message to wing its way to our screens in March, our aim was to unearth the ads that most captivated the industry itself. A straw poll of agencies, little and large, gave their professional views, putting aside for a day friendly rivalries and owning up to their favourites—while not, of course, nominating their own work.

The general verdict was that it was not a vintage year for outstanding advertising, the best work being done on continuing campaigns. "It's been an indifferent year for creativity" as Frank Lowe of Lowe Howard-Spink put it.

That said, there are no prizes for predicting that the much-feted Courage campaigns for both Best bitter and John Smith's bitter (the somersaulting dog, surely the cleverest animal magic, PG Tips chimps apart) — the work of Boase Massimi Pollitt—were first on most lips for outstanding television commercials. Don Arlett, executive creative director of Ogilvy and Mather, spoke for many when he said: "It is relatively simple for any creative man who has been in the business a little while to produce superficially attractive short-term advertising.

"It is quite another thing to produce advertising that grows out of a deep understanding of a product and that builds an advertising personality over a long period. The latest commercial for John Courage bitter, called Margate [backed by the Cockney strains of Chas and Dave, in black and white animated seaside picture postcard style, ending in colour] is a worthy successor to the former ads that were of such a high quality. They were a hard act to follow."

> **Customer:** I'd like a video caster, please.
> **Salesman:** A video recorder. Did you have any model in mind?
> **Customer:** Well a friend mentioned the Harry-keri-caboogie-casoonie-whatchamacallit, you knew the Japanese one the 2000 'cause I'm very technically minded you see.
> **Salesman:** I can see that, sir. What system?
> **Customer:** Oh aah electrical I think 'cause I'd like to be able to plug it into the television you see — I've got a Japanese television.
> **Salesman:** Well sir, there is this model. Eight hours per cassette, all the functions that the others have and I know this will be of interest. A lot of scientific research has gone into making it easy to operate even by a complete idiot like you. . . .
>
> *This (abridged) radio script for the Philips VCR ad received lots of bouquets.*

In a sector which must be one of the most hotly competitive—lager spends some £35m annually selling itself—another consistently good campaign was much mentioned: Heineken, the work of Lowe Howard-Spink. This year saw new levels of cunning from that stable with its poet commercial featuring Alan Howard suffering amnesia over his lines until a timely Heineken brings it all back with the immortal line "Heineken refreshes the poets that other beers can't reach."

Martin Boase of BMP hailed this as "arresting television work. It's quite difficult to keep a campaign going." The follow-up ad featuring the animated traffic sign also drew many votes for inventive work. John Bartle of Bartle Bogle and Hegarty complimented the Heineken advent calendar poster which decorated boardings before Christmas.

He also cited the Foster lager campaign by Carter Hedger Mitchell, as "most impressive; it continues to get better and better."

Another old favourite that continues to delight is the Heinz series, covering baked beans, soups and ketchup—the work of Young and Rubicam and Doyle Dane Bernbach respectively. Ron Leagus of Leagus Delaney feels "most of the Heinz ads this year have been very good. In particular the soup ads featuring an old man and small boy were very charming. Also the ketchup commercial. They are all individually very good but add up to something indefinably Heinz, which is an unusual achievement."

Of all forms of advertising, posters seem to have grabbed the lion's share of the creative cream. John Bartle reckoned it was a very good year for posters. Predictably again, the exceptional Araldite one-off poster featuring an actual car glued to its side with the downbeat line "It also sticks handles to teapots" came into everyone's minds as the unforgettable sight of 1982. "Staggering," said Bartle. "It is so quick—what more can one ask for in total proof of a product; if the car sticks so will the teapot handle," remarked Peter Ibbitson, deputy creative director of Y & R.

The John Courage "Margate" TV ad was one of the most popular; the Araldite stuck up car "staggering"; and the LWT poster nearly made one adman lose control of his car

David Bernstein of The Creative Business recalled the Dulux poster by Foote Cone Belding with its simple strokes of paint. The Blue Nun wine trio from Saatchi and Saatchi collected high praise—"especially the female barrister wearing a blue wig," said Martin Boase, "jolly arresting ad."

The Gold Greenlees Trott series for LWT was widely admired—"I nearly lost control of the car when I saw the Credo poster featuring the Archbishop of Canterbury bent over Maggie Thatcher's knee advertising a programme on church and state. Excellent ad," said Andrew Cracknell of FCB.

On the airwaves, the inspired Leagus Delaney Philips VCR 2000 radio ad collected unanimous bouquets to add to its various awards. Its hilarious script is destined to grab the most unhearing of ears.

Among brand new commercials the Lloyds Bank children's savings account, courtesy of Lowe Howard-Spink, was picked out. Simply executed to cosy music, its theme is that when a child saves with a bank it avoids the income tax deductions of building societies. David Bernstein and Andrew Cracknell of FCB admired its simple appeal.

In print, the bold Sainsbury ads reaped many admiring glances. "Done by David Abbott, of course; not surprising it's so good," said Tony Teller, creative director of Davidson Pearce.

Patrick Ridett, deputy chairman of Ted Bates, went for the book tokens ad "Give a book and you give a meal" which he thought very readable and beautifully produced. Martin Boase liked the London dockland ad of two telephones talking to each other. Tony Teller also lauded the Pioneer in-car radio print ads as being good examples of long copy ads.

A notable trade campaign to impress Ron Leagus was the Grampian ads "which have put a small insignificant easily overlooked TV contractor in awareness terms, up among the big boys."

Others worthy of mention were the Crest toothpaste commercials—"in such a well worked market this work is different and interesting and ought to be congratulated," said John Bartle; the Houndsditch radio ads "they've been poor but have suddenly achieved a certain amount of style. It's hard doing retail because you're doing a new ad each week. This shows a simple professionalism," said David Bernstein; Ronstrip commercials by CM Partnership were "a good product demonstrated in a charming way, and could be watched over and over," said Andrew Cracknell; the Cointreau commercial with French man and English woman "brings prickles to the back of my neck," said Tony Toller of Davidson Pearce.

The stakes get higher in U.S. computer marketing

> **The advent of the personal computer is having such a significant impact on society that Time Magazine has broken with its 55 year tradition of nominating a "Man of the Year." For 1982 its choice is to make the computer "Machine of the Year." The speed of computer development is also having a major impact on the market place as LOUISE KEHOE reports.**

FINDING A "point of difference," as the advertising executives put it, in the personal computer business is becoming quite a challenge. There are, after all, only so many ways that you can say that a machine with a keyboard and a screen built around a standard set of microchips is "new," "revolutionary," "user friendly" and "inexpensive".

The proliferation of "personal computers" has made fortunes for the companies that had the luck, or good judgment, to get into the market early. Since Apple Computer and Radio Shack started all the fuss back in 1977, personal computers have become a multibillion dollar business. For newcomers the personal computer business offers the challenge of an overcrowded marketplace, while established companies face multiplying marketing costs.

Apple, for example, says that its marketing and distribution costs were approximately $65m in 1981. In 1982, that cost has risen to $120m. Much of the increase can be assumed to relate to increased competition.

"The stakes are getting higher and it is becoming increasingly expensive to succeed in the micro-computer business," says Rick Klain of Lu Tat, Battey and Associates, advertising agents for Altos Computers.

Altos, unlike many of its competitors, has achieved an identity in the personal computer business over the past two years. Credit for that is due to the company's advertisements that depict computers packed in fruit crates. "We have developed the concept of a computer that is friendly to use and a company that is proud of its roots in a region of California that used to be known for its produce and is today recognised as a hotbed of technology," says Mr Klain.

Fruit seems to be a particularly popular image in the personal computer business. Apple Computer is the original, but Altos with its fruit crates, and Peachtree Inc., a leading software supplier, have followed.

As computers have become consumer products the cost of new product success has little to do with computer technology. In fact the cost of the computer chips that drive microcomputers is coming down. Selling, marketing, suporting and servicing the microcomputers is, however, becoming more expensive.

"Companies that are not willing or able to back products with large promotional budgets will be lost in the personal computer market," maintains Bill Schwartz, a public relations specialist in high technology markets.

The microcomputer market growth is legend. The U.S. market alone is said to be worth $4.5bn today and is expected to reach $18.5bn by 1987; these numbers account only for the basic hardware, not the programs run on the computers. Along with the growth of the market, however, has come a surge in the number of participants. Latest estimates suggest that there are around 150 personal computer manufacturers in the U.S., up from less than 50 only 18 months ago.

Many of the latest entrants in the personal computer market will undoubtedly fail. Some analysts feel, however, that there are more successes to come.

Opinion

"People forget that the personal computer industry has a lot of really different facets. They say that only ten companies will survive. Perhaps only ten companies will survive in each major market segment, but that is a lot more than popular opinion would have you believe," says Dr Portia Isaacson, president of Future Computing, a Richardson, Texas, market research company.

Personal computers span a diversity of markets—from the consumer market for machines that cost under $500, to small business computers at $500 to $5,000, and microcomputers that are strictly for corporate use costing anything from $5,000 up to around $20,000.

Each market segment has its own distribution channels, but one of the major marketing problems in the personal computer industry is that distribution channels are still evolving in this five year old industry.

As a result there are consumer computers in supermarkets and department stores as well as computer specialist shops.

More than half the personal computers sold in the U.S. reach the customer via a specialist computer store. These stores, either run by franchise owners or independents, have become the "Mom and Pop" business of the 1980s. A critical problem with such stores is their inability to supply the support and service needed for increasingly sophisticated personal computers at the high end of the market, and their inability to compete with the mass marketers (department stores and the like) at the low end.

The result, according to IDC, is that computer stores are dropping low cost computers and concentrating on the "small business machines." The better qualified computer store operators also carry the most expensive — $15,000 plus — machines. "There is a void, between the $4,000 and $15,000 computers," suggests Wil Zachmann, vice-president for Technology Assessment for International Data Corporation. "These computers require more customer support than the retailer can afford to offer," he adds.

The computer dealers agree. Profits from sales of mid-range business computers do not justify the time and expense involved in customer support, they say.

A significant change in personal computer distribution is, meanwhile, to be seen in the increase of direct sales as several of the major manufacturers concentrate their efforts on volume sales to the big "Fortune 500" companies.

In this segment of the market, "big" computer makers such as IBM, Hewlett Packard and Digital Equipment corporation, having been forced to take note of the challenge of the microcomputer, have a clear advantage.

However, they, as much as any other personal computer maker, will be forced to deal with the uncertainties and unknowns of a dynamic and young market.

TECHNOLOGY

EDITED BY ALAN CANE

SPACE BUDGET

ESA whittles 20 projects to five

BY MAX COMMANDER

THE European Space Agency faced with some 20 possible scientific space missions as possible candidates for the Agency's programme for the late '80s and early '90s (see Technology Page, December 3), has now whittled down the list to five.

ESA has decided that the following five proposals should be evaluated further.

1) A far infra-red and sub millimetre space telescope for the study of galactic, extra-galactic and cosmological emissions. The planned payload mass would be about 2,000 kg with the main instrument an 8 mm deployable telescope.

2) An X-ray multi-mirror designed to carry out deep surveys of galaxies and clusters as well as high resolution X-ray imaging and spectroscopy. The payload would consist of 27 grazing incidence imaging telescopes with a payload mass of about 2,750 kg.

3—This would be a solar high resolution observatory for the investigation of mass loss and dynamics of the solar outer atmosphere. Payload mass of about 470kg would include a grazing incidence spectrometer, a stigmatic normal incidence spectrometer EUV imaging telescopes and a UV and white light coronograph.

4—An earth magnetosphere mission for a study in three dimensions of plasma turbulence and small-scale structure in the magnetosphere. The mission would require a main spacecraft with a payload mass of about 56 kg plus three companion craft each with a payload of about 22 kg.

5—A mission with a model payload of between 100 and 230 kg to study the properties of the three main belt asteroids, for example regolith thickness, shape, volume, mineralogy and mass. Principal instruments would be a wide angle camera, an infra-red spectrometer and radar altimeter.

After evaluation, ESA's scientific advisory bodies made these five recommendations but with another proposal for QUASAT—a very long baseline interferometry space system for radio astronomy. The suggestion bare was that ESA should set up discussions with other agencies.

The advisers also felt that ESA should start negotiations with Nasa to "determine a procedure" which could lead to the start of Cassini. This would be a probe for a Saturn orbiter and a closer look at Titan.

But ESA has a cash flow and budgetary problem. It says, rather plaintively, that a preliminary cost analysis of just the five proposals recommended for further assessment indicates that the average cost per mission would be 250m accounting units (one AU equals $1.065 at recent exchange rates).

The average cost per mission would, therefore be 2.5 times the level of ESA's annual scientific budget. ESA says that the high cost of scientific projects nowadays means that it will be able to undertake a new project only about every two and a-half years unless the budget is increased.

NOVEL ARCHITECTURE FOR NEW BRITISH MICRO

Tycom takes the bus route

BY ELAINE WILLIAMS

THREE TIMES in the past year Alan Timpany has been offered large sums of money to sell his company. He has always resisted the temptation.

His dream is to turn his computer distribution company into a major computer equipment and telecommunications manufacturer. Tomorrow Tycom Corporation will take the first step towards that end by launching its first microcomputer system aimed at the business and original equipment manufacture markets.

Mr Timpany has ambitious plans to sell about 10,000 systems this year. Initially sales effort will be concentrated in the UK as at least 60 per cent of sales will be UK based. However, Mr Timpany does have his sights on the U.S., Japanese and European markets next year.

Backing

The company has received backing from a number of banks including a private investment bank. These backers have agreed to provide all the funds necessary to produce the machines. Initially, the company will need about £800,000.

Alan Timpany is the managing director of Tycom which is now the holding company for Guestel, which he set up in 1979. This company is now one of the biggest Apple distributors in the UK to the business market. It sells around 500 systems a year and will continue to distribute IBM, DEC and other computers along with its own.

With so many microcomputers being launched into the market what chance does the newly formed Tycom Corporation have with its Microframe system? Mr Timpany claims that there is a hole in the market for his computer.

Its design has been guided by consultation with senior data processing personnel in several of the UK's largest companies. Everything from the colour to the keyboard layout has been determined through talks with potential customers.

According to Mr Timpany, the Microframe has been designed with a new type of computer architecture which is now being patented. It is not designed as in conventional systems around a single processor, or perhaps two, with all the peripherals—the terminals, printers or memory—connected to it in the form of a star.

Instead the Tycom designers have developed a system they have dubbed the "versatile bus connect." This is where processor becomes just another peripheral and the data bus running at a speed of 8Mbs has sufficient intelligence to control all the functions.

Professor Frank Sumner, a computer expert at Manchester University, confirmed that Tycom had taken an unusual approach with its bus system for the microcomputer. He commented however that the concept was not new though he was not aware of any microcomputer designs which incorporated the concept to such an extent. "If the company can do it right and at the right price, it could be very good," he said.

In simple terms the bus treats the processing of applications programmes not as a central function, as in conventional systems, but as a peripheral task.

Mr Timpany says that it allows any currently available and future microprocessors—along with their respective operating systems—to be run as options. Several systems can be operated simultaneously. Users can also switch between operating systems and transfer data too.

This means that microframe owners can run Z80, 8088, 68000 and other processors running operating systems such as CP/M-86, Xenix, MSDOS or anything else that becomes available.

This is important as a user can introduce an operating system while gradually phasing out the old one. Normally, an existing operating system has to be abandoned when a new one is introduced.

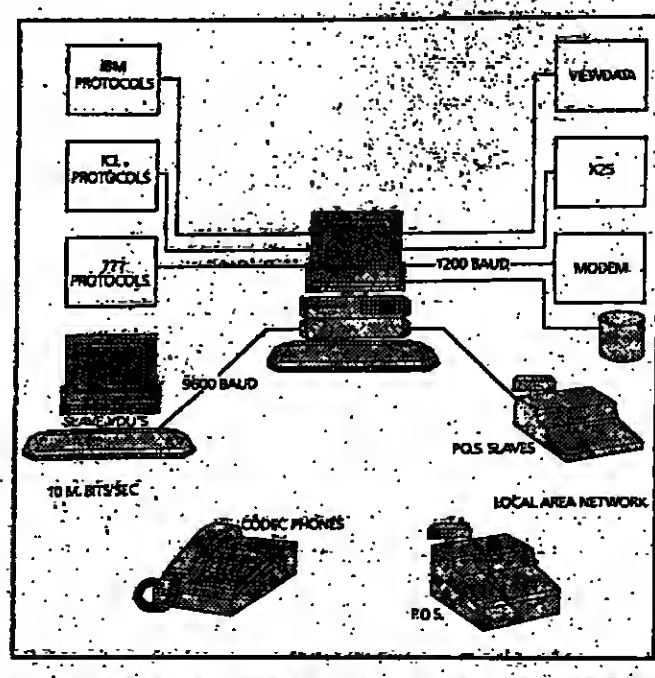
Products

The system does have the capacity to handle heavy communications traffic and can integrate with telephone systems, data and telex networks as well as mainframe computer systems.

"It is a product which can span four or five products in other manufacturers ranges simply by plugging in another printed circuit board," says Timpany.

The simplest system will cost £2,900 which has 12 input ports for peripherals to be connected. Another £800 buys multi-user facility.

Today the group has a turnover of £1.5m and a staff of 50 people, many of whom are based at Milton Keynes. However, plans are to add a further 150 to 200 to the workforce this year. Among them will be a special team of 30 staff dedicated to selling to the FT 500 companies.



The new Microframe computer can cater for a wide range of processors and operating systems using the versatile bus architecture developed by the company

Power

87% efficiency claimed for co-generation unit

OPERATION BEGAN this month at the Belvidere, New Jersey, chemicals plant of Hoffmann-La Roche Inc. of a new kind of high-efficiency power unit. The so-called co-generation plant, which will obviate the need to purchase electricity, works with a slow-speed, two-stroke Sulzer 10/RNF/60M diesel engine, fired with residual fuel and rated at 23.3 MW, together with a supplementary fired waste heat boiler to provide 15.5 bar process steam at a rate of 72,600 kg/hour and cooling-water heat exchangers to supply 77 degrees C process water producing 120 cu m/hour.

According to the Roche group headquarters in Basle, the unit has an overall fuel-utilisation efficiency of 87.2 per cent, even although the engine is unable to work at quite its full power owing to strict U.S. ecological requirements. Since the plant, installed in a vitamins unit, is of a prototype nature for the United States, the investments have been subsidised by the American authorities.

Electronics

Conserving power

JUST PUT on the market by Conder Electronics (part of the Conder International Group, well known in the steel-framed building industry) is an electronic unit designed to conserve power consumption in three-phase AC induction motors.

Known as the Power Saver, the unit corrects for the inefficiency suffered by such motors when they are working at less than their rated load. The device senses the reduced load and immediately acts to feed to the motor "only that amount of power necessary to service the load." The Power Saver, second by second, will raise or lower the motor voltage to minimise power consumption while maintaining the full motor speed.

Conder Electronics, a new division of Conder Hardware, of Winchester, Hants, has made use of technology originally developed and proved by Nasa in the U.S. to save power in spacecraft motors.

According to the company, depending on motor loading and design, power savings on machines used across a broad spectrum of industry have averaged 51 per cent, with pay-back periods as short as 12 months. More on 0962 63577.

Marine

Anchor buoy

CRP Marine, a family owned company specialising in marine equipment using closed cell foams and polyurethane elastomers, has designed an anchor pendant buoy, which, it claims, because of its resilience will avoid damage to ships in the case of impact.

The buoy will go into production after extensive tests off Fleetwood. For the tests a large wooden fishing trawler rammed the test buoy at varying angles and speeds. The only damage, says CRP, was that a spot of paint was transferred from the trawler to the buoy.

The buoy will soon go into service off the coast of Norway. Full technical details from 0695 24342.

Fibre optics

Remote teaching system

PROSPECTS of an all-British fibre optics remote teaching system (see this page Dec 20 1982) for London hospitals going ahead received two major boosts late last year.

On December 20, the joint committee representing the Westminster and Charing Cross schools voted by 11 to seven to back the scheme; later London Transport indicated its willingness to re-negotiate the figure it gave for the rental of its wayleaves.

The future of the scheme now rests with the Department of Industry and the schools arriving at a suitable financial arrangement.

The Department wants the RTS to become part of its scheme to encourage fibre optics, and can contribute towards the capital cost through its existing funds. It is also understood that the department could increase its contribution, perhaps even to include part capitalisation of running costs, if some kind of future buy-back arrangement is made with the schools.

As the running costs are the major stumbling block on the schools' side, the prospects of a significant reduction in the wayleaves rental element could make all the difference: LT's quote of about £70,000 a year for the use of 16 km of its ducting to connect five or six sites is by far the biggest single item of cost.

LT has set up a committee to look at this as part of its general assessment of future policy on wayleaves rental, which it now expects to be a potential growth area.

Details of the RTS scheme will now go before the two schools' councils during February. Their response will go to the Department of Industry at the end of the month.

THE ARTS

The Tales of Hoffmann

Max Loppert

The Opera North *Hoffmann*, revived this week, at the Grand in Leeds, is a thoroughly attractive, intelligent, and vigorous piece of work. Two years ago, when during the Offenbach celebrations Anthony Besch's production was first shown it was seen by some reviewers as in effect a reproof to the Covent Garden *Hoffmann* earlier unveiled; for with a single performer to each of the multiple personations, and a use of the Tracey performing version (from the ENO) which is itself just about the most thoughtful and successful *Hoffmann* edition yet established, its ways were markedly different from those of the lavishly populous (and corruptly Choudens-scored) London performances.

For me, who hugely enjoyed John Schlesinger's Royal Opera spectacle, there is room for all manner of *Hoffmanns*, for every kind of attempt to make of this fascinatingly open-ended (because unfinished) demi-masterpiece an effective entertainment. The entertainment factor is the all-important one; efforts to draw out too forcibly the deeper connections between the episodes, however worthy, must to a certain extent inevitably founder upon the flapping patches and loose ends of the given raw material. A dourly serious *Hoffmann* could never be a happy prospect.

It is the prima merit of the Besch production (somewhat altered in detail, I'm told, since first seen) that it expertly balances entertainment and hints of deeper things in a "small-house" show that makes the absence of any single glittering star contribution no serious obstacle to enjoyment. John Stoddart's nimbly changing sets forge links between the four scenic locations in a way to create wittily individualised episodes and at the same time to suggest the hero's continuing adventure of the soul; recurring emblems (metal rods, a blue sea backcloth, a dream-like moon) add to the feeling of an action poised between reality and fantasy so vividly disseminated throughout the performance.

Only a single principal, David Hillman's durably personable hero (in more relaxed voice than when last heard in London), belonged to the 1980-1981 cast; yet the light-fingered give-and-take and the unimitative freshness of most of the characterisations (Raimund Herincx's big-voiced but rather four-square villains the main exception) survive to indicate just how enjoyable this *Hoffmann* must be to play in. To the four soprano roles Suzanne Murphy was unequally suited—vivid as Olympia, angularly attractive as Giulietta and Stella, her "white," edgy vocalisation least fitted for Antonia—but in each she did some astonishing things (big-voiced high phrases) while sustaining a fragrant, filigree presence.

Bernard Dickerson, a little lost at Covent Garden in one of the servant emanations, undertakes here all four, with delicious finesse, especially when flapping around Adrian Clarke's oily Spalanzani (for a change, the cast sustains its accents not just in dialogue but in song as well).

PLG Young Artists/Purcell Room

Andrew Clements

What would we battle-hardened concert-goers do without the Park Lane Group's "Young Artists and 20th-Century Music" series to rouse us from our New Year slumbers and pitch us straight into fierce and demanding programmes, expertly played? the PLG series goes from strength to strength. This year's selection of performers was too rich to be accommodated in the usual five concerts in the Purcell Room, so each evening now offers double rations: an early-evening piano recital to begin, a more general programme to follow.

Yet the scheme has its dangers. Anyone who sat through both of Tuesday's programmes, for instance, would have had to digest no less than 12 separate works; and that kind of bittiness can only be self-defeating. Monday's concerts were better balanced: the pianist Robert Bridge played Messiaen's *Canteyodjaya* and the second book of Debussy Preludes; the Fairfield String Quartet and the mezzo-soprano Judith Buckle then shared four works between them.

Mr Bridge gave a brisk performance of what is arguably the most immediately attractive of Messiaen's major piano works. He has strong, accurate fingers, and an intriguing way with the soft pedal, which he tended to overplay in the Preludes. His ideas on the music seem less distinguished; only "Canope" and "Les tierces alternées" really stood out in the Debussy group, the former thanks to some winsome half-pedalling, the latter simply by the security of its bravura. This seems to be a talent that still requires careful shaping and directing.

There is still some hard work to be done on Miss Buckle's voice also, to judge from her accounts of Schoenberg's Book of Hanging Garden and Poulenc's *Fiançailles pour rire*; the lugubrious Schoenberg cycle suited her rich mezzo rather better than Poulenc. Her German seems considerably better than her French. But mere control would have given a firmer shape to each song.

The Fairfield Quartet however is already a mature group, as good as any of the excellent crop of young quartets now coming to the fore. Like most of their peers the players have been coached by Sidney Griller, and the essential qualities of forthright musicianship and impeccable technical address came through, even the uningratiating material they were given to perform. Michael Blake Watkins's string quartet, receiving its first London performance, tries too hard to justify a formal scheme and overworks its simple motivic construction, while George Nicholson's string quartet is a relatively early piece, far less disciplined and convincing than the music he has written recently.

In Tuesday's main programme the sequence of small-scale works was not calculated to show the best of performers or music. George Nicholson turned up again, as both composer and pianist, accompanying the clarinettist Nicholas Cox in his *Nodus* for clarinet and piano and Priaulx Rainier's Suite. Rainier is one of the featured composers in his PLG series, and amid a mass of the second rate the Suite stood out for its clarity and economy; not great music, but tidy and idiomatic, calculated to keep any efficient clarinettist happy. Mr Cox was at his best here; Nicholson's *Nodus* is a tough, intermittently interesting study, and needs more élan to be really effective. They shared their recital with the harpist Caryl Thomas, a fine player, but saddling herself with a stodgy programme of sonatas by Hindemith and Krenek, Rand's dated *Formants I* and Gareth Walter's *Little Suite*. It's a hard life as a solo harpist and Miss Thomas is good enough to deserve better music.

The Ballet Year

The best—and the worst

It was the best of times; it was the worst of times. It was the year when I reported with greatest pleasure on performances radiant in energy and classic power by New York City Ballet at its home theatre, and by the Kirov Ballet during a superb Paris season, with Kolpakova in the golden autumn of her career, Chenchikova an opulent heart to a poetic new *Swan Lake*, and a corps de ballet of unrivalled finesse. It was the year of the Paris Opéra's commercial for eye-shadow passing itself off as *The Sleeping Beauty*, enshrining withal the two best Auroras in the West—Noella Pontois and Elisabeth Platel. It was the happy year when the Opéra Ballet returned to Covent Garden, fleet-footed, bright-footed, dazzling in skill, its young dancers putting even our talented local hopefuls in the shade. Also from Paris I reported on Béjart's *Magic Flute* (Mozart performed by speak-your-weight machines), and from Lyon the Paul Taylor company, glorious, joyous. There was a notably good *Sleeping Beauty* made by Peter Wright and Philip Prowse for the Dutch National Ballet, though no Aurora to make sense of it; in New York, American Ballet Theatre reduced Tudor's *Pillar of Fire* to a pile of ash through under-casting, showed me my second Choo San Goh ballet of the year (these were very bad times), and trapped Makarova and Bujones in what the programme cheerily claimed was *Swan Lake*—a better title would be the *Old Curiosity Hop*. Makarova was a luminous, passionate Tatyana to blaze through *Onegin* in Munich; Evelyn Hart of the Royal Winnipeg Ballet was a new joy this year in everything she danced. The Winnipeg troupe was an attractive visitor to Sadler's Wells, despite a repertory which included a *Firebird* more like a singed sparrow.

Canada also sent us Les Grands Ballets Canadiens (Oh God! Oh Montreal!) and the unfathomable Dancemakers, while Australia struck a blow for art with the Australian Dance Theatre. There was Wayne Sleep with *Dash*. (but why so mealy-mouthed? Other four letter words are possible in these liberal times) and the vehement American Dance Machine with its strong male corps and weak routines. I missed Aterballetto from Italy, but enjoyed the State Dancers from Nepal. Pina Bausch came from Wuppertal with her overwhelming dramas for dancers—true dance theatre—and revived the nice custom of serving tea in the stalls, though here it was offered by the cast. The Zurich Ballet joined the Nureyev festival at the Coliseum with *Manfred*, a fine production in search of choreography, and the Ballet Theatre Français entered these same lists with an attractive Diaghilev programme which included an exceptional *Pétrushka* staging.

Dance Umbrella sheltered the just and the unjust, but the best contemporary dance came with *Second Stride*, combining the talents of Siobhan Davies, Richard Alston and Ian Spink, and proving—to people who otherwise have good cause to doubt the fact—that there is imaginative modern choreography in this country. London Contemporary Dance Theatre produced serious repertory and performances, as did Ballet Rambert, especially with Richard Alston's mysteriously attractive *Apollo Distraught*. Northern Ballet Theatre came to Sadler's Wells with saccharin pseudo-classics (winsome is as winsome does) and was redeemed from artistic ignominy by a sensitive, Markova-staged

Noella Pontois as Titania in the Paris Opera Ballet's production of "A Midsummer Night's Dream" at Covent Garden

Les Sylphides. Scottish Ballet acquired Cranko's *Romeo and Juliet*, and in Elaine MacDonald had a heart-rending heroine.

London Festival Ballet was only on its best form in the Romantic repertory: *Giselle* and *La Sylphide*. Its new *Swan Lake* was over-produced, over-dressed, under-danced, but revealed

Clement Crisp finds the Royal Ballet at Covent Garden in the doldrums and most of the best dancing in 1982 abroad.

Evelyne Desuttier as a lyrically beautiful Odette. The end of the year brought the news that this rarest creature in Britain—an authentic ballerina—had left the company. It was that sort of a year for Festival Ballet, and for British ballet. Sadler's Wells Royal Ballet surmounted an orchestral strike, put on well-balanced seasons at its home theatre, toured the Antipodes, gave us David Bintley's bardic *Swan of Tuonela* (with David Ashmole its hero, tremendous here as in everything), rescued Walter Gore's *Confessional* and St. Léon's *Vivandière* sextet from oblivion, whither it should consign Hans van Manen's *Five Tangos*. The company's artists worked with enthusiasm at all times, Alain Dobreuil meriting the highest praise in roles as diverse as Albrecht in *Giselle* and the Dago in *Façade*.

It was not the best of times for the Royal Ballet at Covent Garden. There were 34 ballets in repertory, with *Orpheus*, *L'Invitation au voyage*, *Konservatoriet* and *The Tempest* as major novelties. Among senior artists I thought that Wayne Eagling made brightest showing as an ardent Solor, in *Mayerling* and *Manon*, and in leading a rescue team of Muses to Balanchine's *Apollo* after the first cast had shown it as *Apollo totally distraught*. The company was weakened by the temporary loss of Stephen Jefferies's great talent, but the strength of its younger artists was happily, if not consistently, apparent. Among this exceptional new generation Ashley Page, Deirdre Eyden, Bryony Brind, Fiona Chadwick (surmounting a début as Aurora in which the score was like quicksand round her feet), Genesia Rosato, Ravenna Tucker, Karen Paisey, Michael Batchelor and Philip Broomhead spring immediately to mind, though my listing is by no means complete.

Among débuts Alessandra Ferri's assumption of Mary Vetsera's neuroses in *Mayerling* was a performance of ideal sensitivity and beauty of expression.

The most significant and disturbing fact was the decline in attendance figures for ballet at Covent Garden. The Annual Report for 1981-82 cited 83 per cent attendance for ballet. Unimaginable in previous years, this statistic was part of a plummeting graph (reproduced in the report) which reflects the company's fading fortunes during the past two years and indicates both the inroads of inflation on the audience's purse and reluctance to pay for unenterprising casting in a too-familiar repertory. Public response to stellar performances — which the company eeppears unable to secure from its own artists, despite its fine reserves of talent—should be no surprise in a theatre whose operatic policy everywhere acknowledged this fact. The invitation to Rudolf Nureyev to bring his galvanic personality back to the company seemed a belated effort to stem the tide of indifference. That I, for one, found his interpretations no more than a sad reminder of a once blazing *furia* matters not one jot: his public flock to his every move.

But this is a Nureyev following, whose attendance at Covent Garden merely papers over the chasm resulting from the loss of the company's once faithful audience. Among its principal artists there is a failure to infuse the traditional, bed-rock classics with much semblance of life. (The eager welcome given to the very promising but still unformed abilities of Bryony Brind tells how keen is the public to find a new classic ballerina.) It seems to me lamentable that the Royal Ballet which, with the Kirov, should be a stronghold wherein the classics are preserved and honoured, is abrogating this responsibility through the imprecisions and indecisions of its approach to these fundamental masterpieces. *The Sleeping Beauty*, *Swan Lake*, *Giselle* are endangered species in Britain, as throughout the West. Nowhere do I see that seriousness and aspiration towards excellence which gives continuing beauty and purpose to the Kirov's stagings. Time was when the Royal Ballet could show such world-class interpreters as Fonteyn, May, Shearer, Elvin, Grey, Nerina, Beriosova, Sibley, Seymour in the old repertory. Very significantly, the system of ballerina-coaching and "perfection classes" which produce the unbroken chain of noble artistry in Leningrad and Moscow is eschewed here. Are any of the major figures I have listed now invited to prepare apprentice ballerinas over a lengthy period of special coaching in the roles to which they brought such lustre? Is Markova, with her tremendous artistic lineage, called on to transmit the fruits of her greatness to the young? The Royal Ballet's once-proud classics now seem sacred relics—the thigh-bones of St Marius Petipa, encased in improbable reliquaries—emblems of past belief but not representative of living faith. Nureyev, to whom every gratitude, brought back his *Bayadère* and *Raymonda* productions this year, and started to inspire performances. The recent *Napoli* divertissement and *Konservatoriet* suggest a regimen to be followed through constant study of Bournonville, rather than the Royal Ballet's customary "try it and then give up" approach to the Danish master.

More effort with the basic classics, and further acquisitions—why not Schaufuss' full-length *Napoli* or Makarova's *Bayadère*, or the grand pas from *Paquita*, or the *Corsaire* divertissement as mounted by ABT?—need not detract from the essential care and extension of the Ashton and MacMillan canon. Each indecisive year in artistic policy brings erosion of the company's future. New energy, new casting, new coaching, can bring new hope to the company and its public in the New Year.

Extra £1.4m for Film Institute

The Minister for the Arts, Mr Paul Channon, has announced that the British Film Institute's grant from the Office of Arts and Libraries for 1983-84 will be £7.2m—a 2.65 per cent increase on last year. At the same time he announced an additional grant of £1.4m, a special capital sum to be spent in the current financial year.

Mr Anthony Smith, Director of the BFI, said of the news: "We are thrilled with the £1.4m capital sum. It will enable us to overcome some of our long-term, chronic capital problems—particularly in the National Film Archive."

Theatre in 1982

Treasure and dross

Anyone who flits about the fringe for long enough is bound to stumble into a few real treasures among the dross. I have heard it mooted that 1982 was a particularly good year for dross, but only the best shows linger in the mind, and there have been some exciting new plays in London recently. There have also been some interesting experiments in performance art, notably at the ICA, where the impetus behind the "Theatre not Plays" season has now become permanent policy.

The participants here could afford to break down even more barriers. Andy Wilson directs the most recent production, *Orders of Obedience*, a homage to the sculptor Malcolm Poynter; the content is startling, but loses impact by being staged in the traditional manner before a seated audience. Why not let us move around, spread the performance along the corridor or into the bar, give us more of the actual sculpture as a foil to the actors? Theatre workers have learnt much since the ramshackle "happenings" of the 60's, and they could bring a new discipline to the original spirit of adventure in spectator involvement.

Another milestone at the ICA was David Gale's *Slips*, presented by Lumière and Son, delving into the psyche of child and woman in a balletic phantasmagoria with a cast who double as the quintessential Victorian family and a bunch

Rosalind Carne reviews the year in the fringe

of Martini people in the southern hemisphere. The director is Hilary Westlake and she is at her best, expressing an inner reality through an outer dream, with fine attention to an exquisite surface of motion and sound. I would happily see it again.

There are few enough events which provoke this response. Fortunately two are due to return in 1983. Firstly, Caryl Churchill's *Top Girls* which is expected back at the Royal Court after its run on Broadway.

Briefly, the play is about the effects of worldly success and notoriety on the emotional lives of women, a big subject investigated with great skill. A second viewing might help elucidate the confused reactions it arouses by breaking basic dramatic rules, cramming several plays into one, and mingling wild fantasy with graphic realism.

What makes it particularly original is that the break with realism comes at the start, at a bizarre dinner party which includes Pope Joan, Isabella Bird and Patient Griselda; an extraordinary gathering, but no more than a logical imaginative extension of the subject matter.

The other production due for a re-run and, perhaps a West End transfer, is *Crystal Clear*, a brilliant, improvised study of what it means to be blind. Director Phil Young is clearly a name to look out for; his earlier work at the same theatre, The Old Red Lion in Islington, gave ample evidence of his potential. The play was David Clough's *In Kanada*, a riveting study of a Polish writer, trying to live with the memory of Auschwitz.

These two theatres dominate my memories of the year, with plenty of exciting new writing where you expect it, at The Royal Court, in particular *Salonika* by Louise Page, John Byrne's *Slab Boys* (some of which is new) and Andrea Dunbar's *Rita, Sue and Bob Too*, which deserved a bigger audience.

The most extended and dispiriting drama of 1982 has been the gradual demise of the Riverside Studios, where along with a few flops, there have been a handful of exceptionally good foreign imports, notably the return of the Brazilian *Macunaima*, and two spectacles by Tadeusz Kantor, *The Dead Class* and *Où Sont les Neiges d'antan*.

With poverty and unemployment haunting everyone in show business, it's good to record the year's new ventures, the impressive £9m Theatre Royal Plymouth, which opened in May, and the equally slick, though somewhat smaller pub theatre in Battersea, The Gate at the Latchmere.

Plymouth Theatre Royal Company's first triumph, *The Mikado*, made it to the West End, though there's some doubt about how this ambitious repertory company will fare in its fight for survival with the generally unsympathetic administration of a large-scale touring house.

Doubts of a different kind might hover around Lou Stein's Gate which opened with a lively version of *Fear and Loathing in Las Vegas*, but has not produced anything to match it since.

Staying with the American connection for a moment, I enjoyed Tom Topor's *Nuts* on its first run at the Nuffield Theatre, Southampton. It is an old-fashioned melodrama about a highly topical issue, and very much a journalist's play. I mean this in the best sense of a concern for facts and authenticity. But it also carries the limitations and demerits of journalism in its absence of theatrical innovation and in the exaggerated simplification of its emotional content. This may explain the lack of enthusiasm which greeted its London transfer.

Gut reaction can only be a starting point in writing an overnight notice, but I often find myself moved by new works, however flawed in structure or presentation, which reach out adventurously into the domaine of public politics. Such a work is Guerney Campbell's *Gandhi* which ran at the Tricycle in February. Ms Campbell has a new play at the Soho Poly in the spring, and I welcome the chance to reassess her abilities.

And so to one of the most significant public issues on the London stage—race. The growing band of West Indian-born writers resident here includes Edgar White, Michael Abensetts, Caryll Phillips, Mustapha Matura and Barrie Reckord, who we welcome home from home. They all have plenty to say and each is still working out the best way to say it.

It is an exciting movement to observe and of the various productions last year, I was most affected by Mustapha Matura's *Meetings* which took an oblique view of the tensions in Caribbean society, *That Generation*, the final part of Edgar White's *Trinity*, and Barrie Reckord's *Streetwise*. The latter is a light-hearted musical, set in a London school; ostensibly about sex, it says a good deal about colour at the same time.

Switching ghettoes, the last word goes to our gay brothers, whose own bid for liberation appears to have taken them out of the closet and into the rut. After the hysteria of the "Boys in the Band" and the polemic of Gay Liberation, we now have the constraints of liberal domesticity. Fidelity or passion? An urban Ambridge or an urban "Heaven"? *Coming Clean*, a first play by Kevin Elyot and *Layers*, a musical by Alan Pope, are fine examples of the genre; each treats a male homosexual marriage, each is cleverly written and carefully observed, down to the last jammy donut.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

January 3–7

Exhibitions

LONDON

The National Portrait Gallery: Van Dyck in England – if not unquestionably the greatest, pace Holbein, certainly the most prolific and lastingly influential of our Court Painters, establishing the image of romantic, doomed Cavalier grandeur in its final years. He could not have done this without an army of studio assistants and it is easy enough to recognise the fruits of the production line, but he was a wonderful artist for all that. He is a painter's painter, steeped in the works of the earlier Italian masters, and the worthy successor to his own master, Rubens. Ends March 20.

PARIS

Ireland's Art Treasures: Dublin's National Museum has loaned 91 of its most precious possessions, from a sculptured stone dating from 3000 B.C. to the Ardagh Calice, the Tara Brooch and Brian Boru's harp testifying to the originality and exquisite workmanship of Irish art through the ages. Grand Palais, Closed Tue. Ends Jan 17.

From Carthage to Kairouan, 2,000 years of art and history in Tunis. Magnificent mosaics and a vast model of the Kairouan Mosque retrace the succeeding Phoenician, Roman and Islamic influences on art in Tunisia. Petit Palais, Closed Mon. Ends Feb 27.

Fantin-Latour (1836-1904). 150 paintings, pastels, drawings and lithographs bring home some unsuspected facets of his art. Best known for his rather sombre collective portraits of the intellectual elite of his time, his poetic flower compositions charm with luminosity and colours. Fascinated by music, his illustrations of Wagner and Berlioz are his escape into the world of dreams and phantasy. Grand Palais. Closed Tue, ends Feb 7. (2693926)

"Le Festin et l'Art". Crystal glass cut, engraved, enamelled vies with the gold and flowers painted on the finest porcelain in recreating the festive atmosphere of receptions at the court of the Habsburgs, Louis-Philippe or Czar Nicholas II. There is also a group of goblets and bowls of rare 17th century German goldsmith work lent, among other exhibits, by the Viennese Museum of Applied Arts. The Louvre des Antiquaires, 2 Place Palais Royal, open Tue to Sun. Ends Jan 16. (2972700)

Jean-Baptiste Oudry (1686-1755). The Grand Palais is presenting a retrospective of an artist too long considered only as painter of royal hunting scenes and portraitist of the king's dogs. It shows the surprising variety of his landscapes, the mastery of his drawings and the originality of his designs for Gobelin tapestries. Grand Palais. Ends Jan 3, closed Tue (2615410).

WEST GERMANY

Hanover, Kestner Gesellschaft, 18 Warmbüchenstrasse: The first venue of an exhibition on New York Now touring the Federal Republic at present. It comprises more than 100 works from the last five years by 20 New York painters and sculptors. Ends Jan 23.

Cologne, Kunsthalle, Josef Haubrich Hof: The Three Magis has paintings, sculptures and artifacts dating from the 11th to the 19th century, depicting their veneration and adoration of the Christ child. Ends Jan 30.

Cologne, Kunstverein: Josef Haubrich Hof: Sculpture, pictures, environments and photographs by 15 young prizewinners at recent contests staged by private sponsors of the arts. Ends Jan 9.

Frankfurt, Städtisches Kunstinstitut, 63 Schaumainkai: Harvard University has loaned its collection of German twentieth century art from its Busch-Reisinger Museum, chiefly works from the 1920s and 30s. Ends Jan 10.

Frankfurt, Kunstverein, 44 Markt: A retrospective comprising 120 fashion photographs, portraits and nudes from 1930 to 1950 by George Platt-Lynes, the U.S. photographer (1907 to 1955). Ends Jan 8.

Frankfurt, Kunstverein, 44 Markt: 30 sculptures made of metal parts from the last five years made by Alain Kirili, the French sculptor. Ends Jan 8.

Berlin, Bauhaus Archiv, 13-14 Klingelhöferstrasse: Furniture, industrial products, models, sketches and photographs from between 1923 and 1964 by Ferdinand Kramer, the German architect and designer. Ends Jan 22.

Munich, Haus der Kunst, 1 Prinzregentenstrasse: Oil paintings and drawings from between 1912 and 1936 by Giorgio de Chirico, the Italian artist. Ends Jan 30.

Munich, Villa Stuck, 60 Prinzregentenstrasse: Vienna around the turn of the century is the topic of roughly 200 graphics and book illustrations by the so-called Austrian Secessionists. Among them Gustav Klimt and Oskar Kokoschka. Ends Jan 30.

Hamburg, Kunstverein, 1 Glockengiesserwall: More than 200 works by 13 contemporary East German artists offer a comprehensive survey of today's artistic scene in the other Germany. Ends Jan 9.

ITALY

Rome, Campidoglio: An exhibition of 12 paintings and six drawings by Andy Warhol inspired by de Chirico. Ends Jan 31.

Florence, Palazzo Pitti: 'One hundred works from Dresden Picture Galler.' Ends March 4

Rome, Accademia di Francia: 'Mediterranean Picasso.' s collection of about 100 works inspired by Mediterranean life. Ends Feb 13.

Milan, Castello Sforzesco: Engravings from the Leonardo and Bramante Schools. Ends Jan. 31.

Milan, Palazzo Reale: Boccioni in Milan. A comprehensive collection of 400 of the painter's works, some being shown for the first time, to mark the centenary of his birth.

Florence, Palazzo Vecchio: Methods and techniques of restoration including the restored Primavera by Botticelli. Ends Jan 6.

NEW YORK

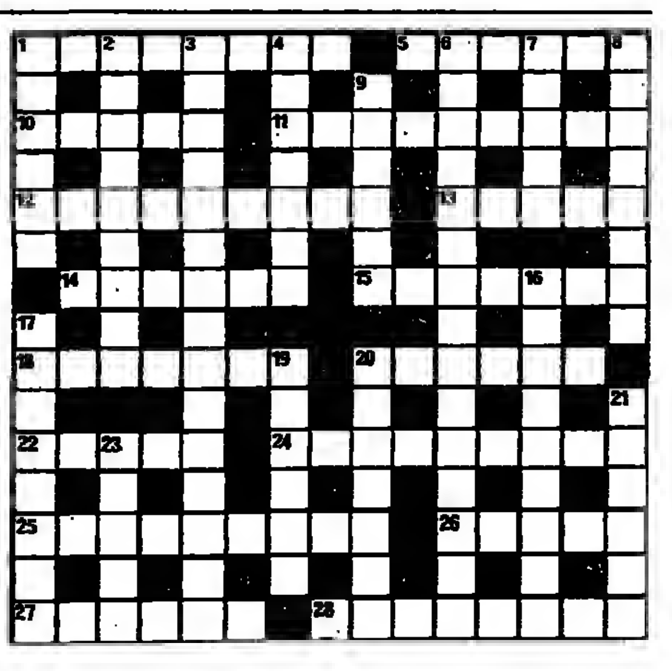
Guggenheim Museum: Selections from Peggy Guggenheim's Venice collection will be displayed for the first time in New York, including works by Braque, Chagall, de Chirico, Picasso, Mondrian and Duchamp. Ends March 13. A retrospective of Yves Klein includes 100 paintings and sculptures and personal letters and photos. Ends Jan 9. (8601300)

International Center of Photography: 140 photographs by Jacques-Henri Lartigue illustrate life in Paris during the Belle Epoque, 1902–1939. Ends Jan 9. (8601777)

WASHINGTON

National Gallery: On the centenary of Edouard Manet's death, a hundred paintings, pastels and photographs show the growing interest in Paris among artists of that time, including Manet, Monet, Caillebotee, Daumier, and Vuillard, in this thematic exposition. Ends March 6. Seven major series by sculptor David Smith are represented in the 60 large works in welded metal included in the exhibit. Ends April 24. (3572700)

F.T. CROSSWORD PUZZLE No. 5,064



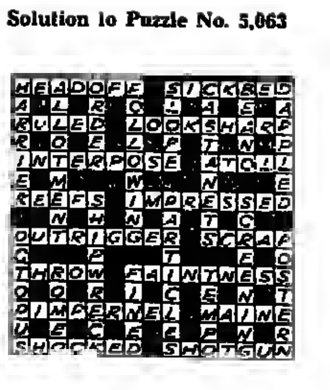
ACROSS

1 Slow draw? (8)
5 Rising, like foreign currency (6)
10 Port with cake (5)
11 They're a blend of the main races (9)
12 An illumination for the lancing (9)
13 Rise and dress (3-3)
14 Extent of one's education (6)
15 Tenniel was merciful when upset (7)
18 Striking games? (7)
20 Take the stand at a trial (6)
22 Scores from a snick (5)
24 He takes note (9)
25 It's standard in France (9)
26 Tea break about six — good show! (5)
27 My dear, it can be quite unpractical (6)
28 Its worn in Dyfed (8)

DOWN

1 A self-employed solicitor? (6)
2 Temperate land mass (5)
3 Survive a heavy blow (7, 3, 5)
4 Understand that lies are wrong (7)
6 Evading duty? (8, 3, 4)
7 Compel payment to be precise (5)
8 One drunkard turns and espies others (4-4)
9 Indian bangle, perhaps (6)
16 Simple departure is without formality (4-5)
17 Call-up date wrongly issued (8)
19 A sleeping partner who was robbed of his capital assets (6)
20 A number leave Australia for another country (7)
21 Put in orders (6)
23 Agree to strike? (5)

Solution to Puzzle No. 5,063



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Thursday January 6 1983

Sterling under management

THE UNUSUAL scale of official support for sterling in December, when about $800m of the reserves were deployed in the currency markets, is undoubtedly a significant event. Officially it is denied that this marks any change in official policy: intervention is only for smoothing market movements, and it simply happens that in December all the movements were one way. Furthermore, sterling was not stabilised, so the government can hardly be accused of enforcing a target for the exchange rate. All the same, the expenditure of such a sum does suggest that somebody, somewhere cares.

It might be amusing to pursue this riddle of when-is-a-change-not-a-change to some logical conclusion, but it would be pointless. The plain fact is that although the government remains sceptical about adopting a target for the exchange rate, any responsible government must have an exchange rate policy — a framework for deciding what changes are tolerable or even welcome, and what changes should be checked or resisted, whether through intervention or domestic monetary policy.

At the present time, with sterling effectively devalued by more than 10 per cent since the autumn, and at present weakened by doubts about the oil price, it is pertinent to discuss what that policy ought to be.

Objective

The first point that needs to be made with some force is that the adjustment in the effective rate is up to this point not only welcome to industry, but by implication an objective of government policy. The change in the balance of fiscal and monetary restraint introduced nearly three years ago in the March, 1981, budget was designed not only to shift some of the burden from industry, but explicity to do so through an easier exchange rate.

This is not only a coherent and sensible set of objectives, which we have consistently supported; it is also the right way to approach the problem of the exchange rate. In the long run, the rate can only be influenced by changes in domestic policy and performance, and not by fighting the market's judgments. Under the floating system a high rate has tended, paradoxically, to reflect an excessive reliance on attracting foreign capital inflows, and a "weaker" rate to reflect a stronger trade performance.

However, the rules now appear to be changing, as the disappearing Opec surplus and the banking crisis have drastically reduced the international flow of capital, and current account performance is now reasserting its influence; the Japanese yen is very strong, and the U.S. dollar very weak.

Now that these traditionally familiar rules seem to apply, there is a danger that any downward adjustment could be overdone, since the abnormal UK current account surplus of recent years is expected to dwindle rapidly. The market action of December reflects some very well-trained British reflexes.

Influence

It is important, then, to realise that this was not a "defence of sterling" in the old style. It was not only a smoothing operation in day-to-day operational terms but in a deeper sense. One of the major influences on sterling is the still quite heavy flow of outward portfolio investment from the private sector; and although this has so far been more than financed by the current account surplus, it is perfectly reasonable that in some months the private sector's currency needs should be met partly from the reserves. Official holdings are, in truth, being partly privatised.

We have up to now, then, been in the process of smoothing an adjustment which has been welcome; but at some point that adjustment must be judged to have gone far enough. At that point, policy will have to be based on something more like a target for the rate—which implies only a willingness to trim other policies to help its achievement. It is certainly not too early to explore what the adoption of such a target—whether inside or outside the European system—would imply.

Mr Kirk seeks a showdown

THE DISPUTE over a common fisheries policy between Denmark and its EEC partners, in particular Britain, risks becoming bogged down in a complicated legal wrangle which will do nothing to solve some of the most fundamental problems at issue. Whatever the legal outcome of the somewhat theatrical efforts of Mr Kent Kirk, the Danish Euro-MP and fisherman's leader, to force a showdown by fishing within the UK's 12-mile fishing limits, the parties to the dispute will, in the end, have to reach a compromise agreement. That is the nature of life within the European Community. Fishing, however complicated and intractable a problem, is no exception to the rule which has governed member states' behaviour since the inception of the EEC in 1958.

No doubt, Mr Kirk believes that, by creating as big a legal mess as possible, he will oblige Britain and the other member countries to make further concessions to Denmark. His avowed aim is to provoke the British authorities into fining him and possibly other Danish trawler owners for fishing for edible fish within the UK's 12-mile limits. The Danish fishermen are confident that they could then obtain a ruling from the European Court which would throw the whole EEC fishing policy back into the melting pot.

Illegally

From a strictly legal point of view, the Danish fishermen are on relatively strong ground. It can certainly not be ruled out that the European Court might decide that Denmark's partners have acted illegally in imposing national fishing measures following the failure of the Ten to agree on a common policy by the deadline of December 31, 1982.

Mr Kirk and his supporters maintain that, in the absence of a common policy, the European Community's territorial waters, stretching for 200 miles from its coastline, should be open to fishermen from all the member states on equal terms. Temporary exceptions to this principle, giving countries a privileged position in their own coastal waters, were embodied in the British, Danish and Irish Treaties of Accession to the Community of 1972. But these so-called "derogations" expired at the end of last year.

Denmark's partners would have been in a much more comfortable position if they had adopted a common fisheries policy by a qualified majority vote, as the Treaty of Rome entitles them to do. Understandably, however, they shied away from such a course because of their respect for the "Luxembourg compromise" of 1966, under which the six founding members of the EEC undertook to adopt the decisions unanimously on all matters of vital national interest to any member state.

To have ignored the historic Luxembourg agreement would have set a dangerous precedent which could well have boomeranged in the longer run against other member countries, a prospect that such sticklers for national independence like France and Britain certainly did not relish. Not least, overriding Denmark's veto would have strengthened the already powerful Danish anti-EEC lobby.

Denmark's nine partners thus depend on the formal blessing of the European Commission for their separate but parallel national measures—expected to be given within the next day or two—to underpin what appears at first sight to be a somewhat fragile legal position.

When all is said and done, however, it is not a legal judgment which will settle the dispute, as Mr Uffe Ellemann-Jensen, the Danish Foreign Minister, who yesterday appealed to Mr Kirk not to fish within Britain's 12-mile zone, appears to realise. Mr Ellemann-Jensen made it clear that he is anxious not to undermine the mediation efforts undertaken by Herr Hans Dietrich Genscher, the West German Foreign Minister and current chairman of the EEC Council of Ministers.

Reasonable

In adopting this reasonable position, the minority Conservative-led Danish government, which is under great political pressure at home, clearly has the support of the British Government. But it is felt in London that the Danes have greatly underestimated the sacrifices made by the British fishing industry during the last decade.

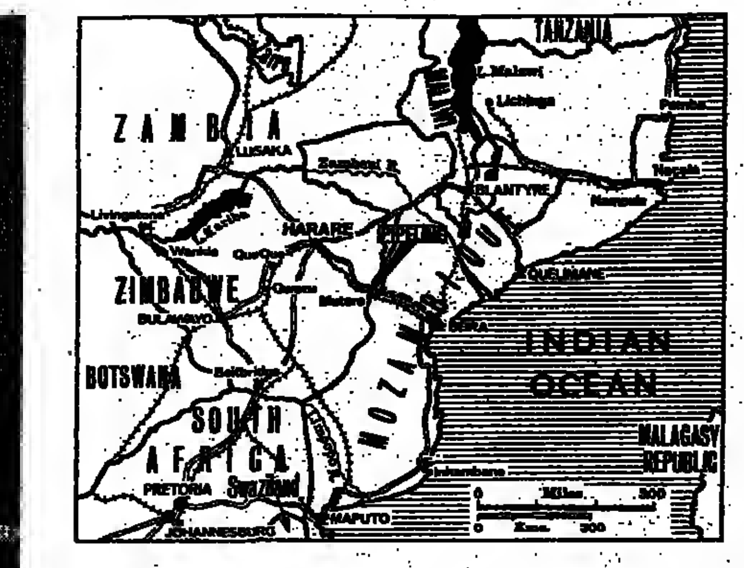
The successive cod wars of the 1970s and the imposition by Iceland, Norway and Canada of 200-mile exclusive fishing zones has led to the decimation of the British deep-sea fishing industry. As a result British fishermen are more dependent than ever on their coastal waters for their catch and complain that too many concessions have already been made by the Government. Copenhagen must therefore be made to understand that the ·· for manoeuvre is very small.

TENSION IN ZIMBABWE

The strains begin to tell

By Michael Holman, recently in Harare

Ashley Ashwood



Guerrilla activity in Mozambique has hit Zimbabwe's major fuel and transport links to the East, forcing Mr Robert Mugabe (left) into greater reliance on South Africa, which he has accused of trying to destabilise his own country.

IT IS almost as if a nightmare is returning to Zimbabwe, nearly three years to the day after a formal ceasefire came into effect, ending the country's seven-year guerrilla war and in turn leading to independence elections.

The recent brutal killings in Matabeleland highlight the insecurity in the south; a crude form of fuel rationing has been reintroduced to cope with a dire petrol shortage; the Draconian security laws inherited from Mr Ian Smith, the former Prime Minister, are applied so forcefully that indemnity legislation has had to be reintroduced to protect members of the security forces from prosecutions; and the ruling Zanu-PF of Mr Robert Mugabe exerts its authority over the media with almost as much rigour as the former Rhodesian Front of Mr Smith.

The morale of the dwindling white community—whose skills remain vital to the economy—is falling, while tensions between the Ndebele-based Zapu party of Mr Joshua Nkomo and the Shona-based Zanu-PF of Mr Mugabe are heightening. Potential foreign investors look on askance, and Western governments anxiously follow events in a country which has a key geopolitical position in Southern Africa.

The question that must be asked is whether these are the growing pains of a country still scarred by war, whose protagonists are sometimes slow to accept Prime Minister Mugabe's election victory call for reconciliation, or whether something more serious is afoot.

The evidence of several senior and respected Zimbabweans, from differing political and ethnic backgrounds, has two things in common: they all agree that Zimbabwe is not simply slipping back to the bad old days of the civil war; but they are all deeply uneasy about the future.

A leading Shona businessman who worked in the country throughout the Smith years expresses embarrassment about the empty rhetoric and lack of realism of the recently-published development plan, and bemoans the lack of understanding for his problems in the ministries he has to deal with.

A senior civil servant in a sensitive ministry is more concerned about the external threat. Every one of the white officials who have left his ministry have gone to South Africa, he says. "We...had trusted them, we let them sit in on top level meetings here and abroad." He points out that a senior white intelligence official responsible at one stage for the security not only of the Prime Minister but of visiting heads of state, actually defected to Pretoria.

A white Zimbabwean who has long maintained black nationalist sympathies is now cynical, as he cites cases of high living, corruption and incompetence among what he sees as a new elite. While professing socialism and egalitarianism, its members do little more than tinker with the institutions they inherited, he maintains.

To put the current events in perspective, it is well to remember that at the peak of the war some 500 people a month were dying and hundreds of thousands were either forcibly confined to fenced villages or living as refugees. Eventually, 40 per cent of the country's budget went on military spending. Much of the then Rhodesia became no-go areas, many roads were unsafe at night, and on some main routes one travelled in a military convoy. Around 100,000 men and women, black and white, Shona and Ndebele, were carrying arms. The white minority represented no one but themselves, one in around 25 of the population.

The biggest rift is between black and black

The end of that conflict remains a remarkable achievement and has paved the way for a better society. School enrolment has more than doubled, for example, and health care is reaching far more people.

Yet Zimbabwe's problems now threaten to overshadow these and other successes. The division between black and white has taken second place to a rift between black and black. Mr Smith's old ally, South Africa, is accused of destabilising the region, with catastrophic effects for Zimbabwe and its neighbours. And as these strains mount the Government is falling back on an intolerant, often brutal treatment of opposition, real or imagined.

The difficulties are compounded by the bleak economic prospects for 1983 (after two years of extraordinary growth), caused in part by poor export prices and the world recession, which will inevitably frustrate post-independence expectations.

Of all the stresses and strains the Government is under perhaps the most painful, and ultimately the most dangerous, involves South Africa. Its apartheid system is bitterly opposed by the Zimbabwe Government but Mr Mugabe must maintain his practical links: the Republic's ports handle 75 per cent of Zimbabwe's trade, and South Africa is Zimbabwe's largest export market, especially for manufactured goods.

As in the days of Mr Smith, Pretoria can exert its influence through rail and fuel supplies —and once again Pretoria's hand is on the petrol tap.

The origin of the current fuel crisis, with motorists queueing all night for petrol, lies in the December 9 sabotage of fuel tanks at the Mozambique port of Beira, by the so-called Mozambique Resistance Movement (MRM). It was the latest in a series of attacks on road and rail routes—and on the Lonrho-owned oil pipeline itself, running from Beira to Mutare on Zimbabwe's eastern border.

The main aim of the MRM, allegedly with covert support of South Africa, is the overthrow of President Samora Machel of Mozambique. But in the process they are undermining both Mr Mugabe and the other black states of the region, who are trying to reduce their trade and transport dependence on Pretoria through the Southern African Development Co-ordination Conference (SADCC).

Although information remains sketchy, fresh fuel supplies via Beira and the pipeline are unlikely to arrive in Zimbabwe before mid-January. In the meantime, the Government has been placed in the embarrassing position of bringing in extra fuel through South Africa, from Maputo in Mozambique. It may yet be forced to buy its oil supplies direct from the Republic.

Mr Emmerson Munangagwa, Zimbabwe's minister with responsibility for security, has no doubts about Pretoria's intentions. "The South African Government has taken it upon itself to destabilise the region," he said in an interview last week. "They are using two instruments — military and economic."

On the military front, he accuses South Africa of, amongst other activities, establishing four military camps holding some 4,000 recruits from Matabeleland, infiltrating them in groups into Zimbabwe where they pose as Nkomo supporters, and "commit crimes, make roadblocks and kill people."

On the economic front, he says, "South Africa attacks us indirectly by supporting the Mozambique resistance movement and instructing them to blow up the railway lines to Beira and Maputo, and the oil pipeline from Beira to Mutare," as well as the fuel tank farm at Beira.

In an effort to protect its supply route—which has been sabotaged in the past — Zimbabwe is being drawn into its neighbour's conflict. Since November, according to diplomats in Harare and visitors from Mozambique, Zimbabwean troops at battalion strength (700-800) have been posted at strategic points such as at pumping stations on the 174 mile oil pipeline. Mr Munangagwa, however, maintains that they have been sent simply to protect repair gangs and have stayed no longer than two or three days at a time.

The country's national army is also occupied on the domestic front in Matabeleland, where Mr Nkomo's Zapu won all but one of the 16 seats at stake in the 1980 elections (to give a total of 20 in the 100-seat parliament).

The security problems — hit and run attacks on farms, stores and buses—are carried out mainly by former members of Mr Nkomo's Zipra guerrilla force, who have deserted the integrated national army. Some 100 people have been killed over the past year, including more than a dozen whites.

The desertions go back to early 1981 when Zipra units fought in Bulawayo and elsewhere with Zanla, the guerrilla army of Mr Mugabe. The uneasy truce between Zapu and Zanu began to crumble and the integration of the two forces into a national army was jeopardised.

Resettlement progress is painfully slow

The discovery of arms caches on Zapu property in February last year led to a further deterioration between the parties, including the sacking of Mr Nkomo from the Cabinet, and the rate of desertions increased.

The number of deserters is now put at anywhere between 2,000 and 4,000, of whom several hundred, armed with AK47 rifles, are living off the Matabeleland countryside, sometimes taking refuge across the border in Botswana.

Villagers in the province have been subjected to tough and often brutal interrogation by the security forces in their search for bandits. They are caught between the demands for food and shelter of armed "dissidents," common bandits, (and possibly South African-backed infiltrators, as Mr Munangagwa alleges) and the equally forceful demands of a Zanla-dominated army seeking information.

Mr Nkomo, a backbencher since his sacking, is in a predicament. The younger members of his party resent what they see as their exclusion from senior government positions, and jobs in state corporations, the civil service or diplomatic posts, and feel that Mr Nkomo's leadership is lacking. Older members of the party tend to feel resigned to the inevitability of a one party state, canvassed by Mr Mugabe last year. They believe that Zapu has little choice but to co-operate in its own demise.

There are other worrying domestic developments. The military vote — though now reduced to about 12 per cent of the budget — is nevertheless nearly five times the allocation to the ministry responsible for what is probably the most sensitive medium-term problem facing Mr Mugabe: the resettlement of some 162,000 peasant families and the need to persuade their children to live on the land and not to add to the growing pool of urban unemployed.

Progress is painfully slow — perhaps 12,000 families have been resettled so far, while scores of thousands of squatters take the law into their own hands. The demand for individual plots, however, simply cannot be satisfied, for there is not enough land.

Within Zanu-PF itself, there is a continuing jockeying for authority between what might be termed the radical and pragmatic groups.

Some of the consequences of these internal divisions are reflected in apparent contradictions in government policies, and their application. Mr Mugabe heads an avowedly Socialist administration which regularly condemns capitalism, imperialism and associated governments and institutions. Yet the West is being wooed for, and is providing, most of the aid and the little foreign investment that is coming in.

The recently published three-year development plan is one example of a certain confusion. Misgivings about the government's technical abilities are aroused by a plan which sets unrealistic targets, contains anomalies, and is studded with jargon which raises doubts about the influence of pragmatists in the economic and planning ministries, such as Dr Bernard Chidzero, the Minister himself.

It is difficult to find anyone who believes that the projected growth rate of 8 per cent a year over the plan period is realistic. (Growth last year is put at 2·3 per cent and likely to be around nil this year.)

Whatever shortcomings there may be in the plan, or in the construction and implementation of Government policies, arguably the most serious problems facing Zimbabwe remain political tensions within the country and in the region as a whole.

Zimbabwe is discovering its vulnerability as a front-line state, and an unfriendly neighbour can exploit those tensions. As long as Pretoria and Black Africa are at loggerheads, Mr Mugabe's Government, along with other states in southern Africa, will pay a high price.

Men & Matters

Donkey work

"I am in favour of consensus and I think that more of it is needed in tackling our industrial problems," says John Cassels, looking forward to his chance to promote such an approach when he takes over in June as director general of the National Economic Development Office.

Geoffrey Chandler, whom he replaces, has found six years of "pushing consensus to the limit" a bruising experience—and so did his predecessors.

But Neddy is just about the only forum left in which Government ministers, trade union and industrial leaders consort. And Cassels asserts: "Tripartite bodies can be made to work."

Though he goes to Neddy from Whitehall—where Margaret Thatcher installed him in the Cabinet Office 14 months ago alongside Derek Rayner as official head of her Government efficiency unit—the 54-year-old Cassels has a lot more experience than most civil servants of working with both sides of industry.

He joined the Ministry of Labour in 1954, after studying classical archaeology at Cambridge. Ten years later, he was private secretary to Ray Gunter, the Labour Minister, and from 1965-68 served as secretary to the Donovan Commission on the trade unions.

Cassels was a firm supporter of the Commission's basically voluntary rather than legalistic approach to labour problems.

For most of the years since, he has operated in the potential minefield between Government, TUC and CBI, emerging with a well-earned respect for his management skills and well-liked for his straightforwardness and understanding.

Three years at the Prices and Incomes Board were followed by secondment to Dunlop. He became chief executive of the Training Services Agency in 1972 and three years later, director of the Manpower Services Commission.

During his six years at the MSC, he stood up stoutly to critics of its expanding services. "We are, in a sense, the spokesmen for the unemployed," he once said. "Without us they would be a constituency without a voice."

On the line

Sir Peter Parker, chairman of British Rail, will have to muster the full forces of his undoubted assets on the public relations front if he is to fight off the criticisms of his management contained in the report of the Serpell committee.

Heartened perhaps by a dinner at the Great Western Hotel, Paddington, last night, the BR board meets today for the first time since the report of the Government-appointed committee was delivered just before Christmas.

Even more damaging potentially than the report of his ex-board colleague, Sir David Serpell, is the minority report of Alfred Goldstein, a consultant engineer, which amounts virtually to a no-confidence vote in Parker's management.

Two board members who will be in the front line when the reports are published, probably before the end of this month, are Ian Campbell, whose engineering function responsibilities come in for some hefty knocks, and Derek Fowler, the board member for finance whose planning responsibilities also come under fire.

Neither man is expected to accept the criticisms without a public fight. They may call upon consultants to disprove evidence in the reports; evidence which the board says is out-of-date.

Parker will also draw substantially on the resources of three close advisers. They are Bob Reid, the chief executive, whose sector management brainchild does not escape unscathed; Michael Posner, economist and part-time board member, who is closest to Parker; and the experienced Will Camp, public relations adviser to the board, who has had many a battle and some victories in the government-state industry arena.

The campaign will be Parker's last at BR. He says he will definitely leave in September when his contract expires. His legacy at the railways may well be shaped more by this coming campaign than even the union battles of last year.

"Try not to think of it as redundancy—more that we're overbooked in the executive class."

Two views

If a picture speaks a thousand words then shareholders of Northern Foods should pay close attention to the portrayal of the chairman Nicholas Horsley, in documents posted yesterday.

In the report and accounts he is dressed in a tailored jacket with his clenched fists resting on the desk. His sincere but anxious expression is hardly a recommendation for the shares.

In contrast the employee's report shows him in a similar pose but with the jacket off and sleeves rolled up. Altogether an aggressive approach to the production of milk and meat pies.

The smile is broader and more confident as he faces his work-force. I rate it a strong buy recommendation.

Irishmen's rise

When they comb the EEC's financial records each year, the 10 largely anonymous members of the Community's Court of Auditors always turn up a few nuggets of . . . . shall we say, eccentricity.

This year's report on the EEC's £10.3bn 1981 budget is no exception. There were a few red faces yesterday in the EEC Commission's Dublin office after the auditors publicised the fact that at the end of 1980, five local employees had all declared total overtime of 275 hours.

"It was found," says the Court, that the overtime had never been worked and that I£3,700 had been spent "simply to raise the salaries of local staff by illegal means."

Worse, the head of the Dublin office was told in 1981 by a senior Commission official that he could "distribute" 50 per cent of the previous year's total "however you wish among the different members of your staff." Investigations are now being made.

Other curiosities pinpointed by the Court include the fact that the European Parliament is paying twice as much rent as the Commission for offices in the same building in Athens.

While a study of the costs of translating the mountain of documents produced by the EEC (in six official languages for nine countries) produced the astonishing total for 1979 of £42.7m or £4.60 a page.

Observer

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THE SERPELL REPORT ON THE RAILWAYS

Few lines of comfort for BR

By Hazel Duffy, Transport Correspondent

THE MOOD will be sombre this morning at British Rail's London headquarters: its board is meeting to thrash out a response to a 210-page report which could lead to the most dramatic shake-up in Britain's railway network for more than 20 years.

The report, from a Government-appointed committee chaired by Sir David Serpell, landed on the desk of Mr David Howell, the Transport Secretary, just before Christmas.

Although it has not yet been published, leaks from the document make clear that it will prove embarrassing for Sir Peter Parker, British Rail's chairman, and will leave the BR board and the Government facing some uncomfortable policy choices on the future of Britain's railways.

These choices will be complicated by the fact that the document contains two reports: a majority one which sets out a range of policy options for British Rail and a toughly worded minority one from Mr Alfred Goldstein, a consultant engineer, which advocates a much smaller role for the railways in the UK's transport system.

"More drastic than Beeching," was the comment on the Goldstein proposals last week

Goldstein's proposals 'are more dramatic than Beeching'

of someone close to the BR board. "Uncomfortable documents," was the later, and more measured, response of a board member helping to prepare BR's reaction.

"The reshaping of British Railways," the report in 1963 of Dr Richard Beeching, the then rail chairman, led to far-reaching changes: just over 4,000 route miles were cut on cost and efficiency grounds as a result of the report, leaving Britain with 13,721 miles of railway in 1966. Another 2,000 miles of lightly used or duplicated branches disappeared in the late 1960s.

Since 1974 there have been very few closures. That was the year in which the Transport Secretary was empowered by the Railways Act to direct the board to maintain standards of service and the size of route network operating at that time.

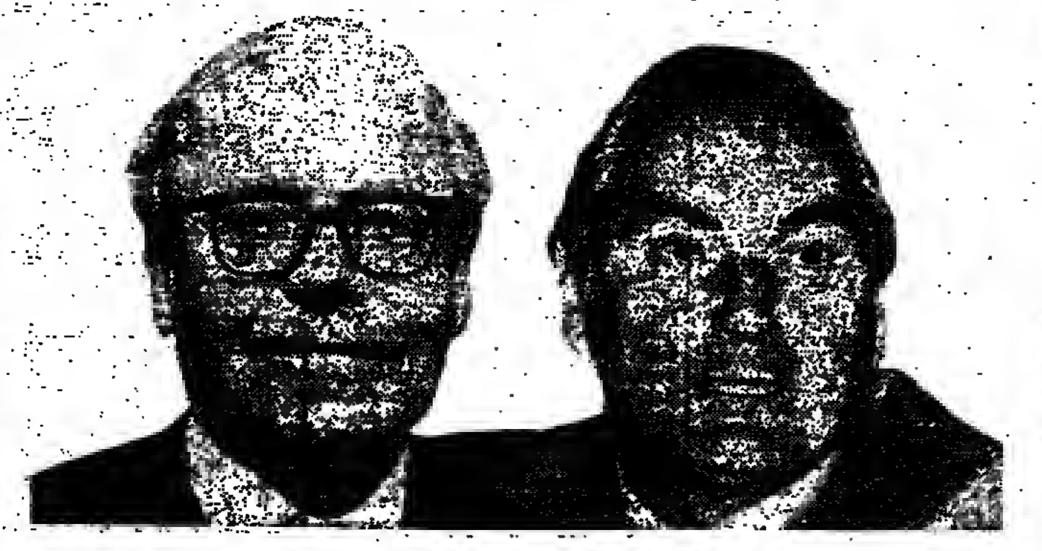
The strain of running and maintaining the network on the present level of government support—deemed inadequate by Sir Peter—resulted in BR pressure on the Government for a review of the future financing of the network. Whitehall officials also thought it was time for new ground-rules to be set.

In May 1982, Mr Howell agreed to a review to be chaired by Sir David, a former Permanent Secretary at the Departments of Environment and Transport, who was a non-executive BR board member until then.

The Serpell report is far from being the blueprint for modernisation that Sir Peter had hoped he could leave the railways when he departs in September. It does not make recommendations, but lists a series of options on the sort of railway that the Government and the public could reasonably expect to have at various levels of support.

If, for example, the Government wanted to maintain the railways at their present size, it could do so with less public money if some of the inefficiencies highlighted by Serpell were eliminated and BR was able to pursue a more commercial policy—by raising commuter fares substantially.

On the other hand, if the Government wanted a railway with minimal public support, there would be just two major trunk routes plus five London commuter routes—about one-eighth of the size of the present network.



Sir David Serpell (left) and Sir Peter Parker

The broad message that comes through the majority report is that the management is not doing as well as it could in several fundamental areas.

The report pays little attention to the economies that would result from greater manpower efficiencies, on which BR has made some painful progress in the past year. But it does point to two very important areas where it believes there could be cost savings.

BR's high engineering costs, highlighted by both Serpell and Goldstein, have been a matter of concern in the Department of Transport for some time. The very high standards of safety on which rail engineers and the rail unions insist could be compromised, say the reports, while the relationship between BR and its subsidiary British Rail Engineering, which both builds and maintains rail equipment (an almost unique situation among world railways) needs to be sharpened.

BR's planning systems also come in for sharp criticism for having produced consistently over-optimistic forecasts, and thus, poor estimates of service levels and equipment needs. The board is expected to reply that the Serpell committee has ignored some of the reforms it has instituted and others it intends to implement, following recommendations made by consultants Price Waterhouse.

The minority Goldstein report is much more specific than Serpell both in its criticisms and recommendations about the role of the railways. It says the Government must look ahead 20 years in deciding the type of railway it wants—and Mr Goldstein advocates a much smaller network. He also criticises other committee members for not addressing themselves more rigorously to these fundamental policy options.

Goldstein also turns his attention to the composition of the BR board. He says that the Secretary of State should concern himself much more with the appointment of key board members, notably the chief executive and the member for finance, as well as the chairman. To these should be added "sufficient other members to ensure that the chosen team has control of the board."

The reports are not all bad news for BR, however. Serpell points to the need for clear policy objectives to be given to the board—something Sir Peter has long sought. Serpell suggests that the recommendations of the Monopolies and Mergers Commission, which reported on the London and South-East commuter services in October 1980, should be implemented.

The commission concluded that the Government should give the board clearer objectives in operating this "social railway."

Both reports offer some praise for the "sector" management system introduced by BR a year ago, whereby five divisions have been created—freight, parcels, InterCity, London and South East, and provincial services. The minority report, however, makes the point that unless BR decides whether sector or general managers should be in charge, the benefits of sector management will dwindle.

The Government is expected to publish at least the conclusions of the two reports, probably later this month, thus re-opening the debate started by Beeching as to the sort of railway that Britain can afford. On one side will be those who hold railways sacrosanct, and on the other those (some of whom are thought to be pro-rail enthusiasts to be uncomfortably close to the Prime Minister) who believe that the rail tracks ought to be concreted over to provide more roads.

It is far from clear where the Government stands on BR's future and whether the report will push it into making early decisions.

In the past 18 months, the Government has adopted a much

Early decision on modernisation funds unlikely

tougher approach to railway investment. For example, it does not intend to allocate funds for electrification until real productivity progress has been made. Neither report provides a case for substantial modernisation funds, making an early decision on this unlikely.

After the Beeching cuts, successive governments have turned their backs on the politically unpalatable task of dismantling another chunk of the rail network. If this proves to be an election year, the Government may be loth to make commuters more uncomfortable by reducing their services and/or putting up their fares substantially.

A vigorous debate on the Serpell report may be assured, but early Government action is not.

The new Bank Governor

A missed opportunity—and thus a blunder

By Samuel Brittan

I HAD in any case intended to devote my first article of the New Year to argue against the Tory instinct to appoint a well-known City figure with little claim to central banking expertise to the post of Bank Governor. Mr Robin Leigh-Pemberton just about fits this description, although he has more of a county background and less of a City one than is normal even among Governors in the traditional mould. His selection was no surprise to experienced watchers of the Prime Minister—only the speed with which the announcement was rushed out just before the Christmas holidays, which caught unawares leading Ministers and officials normally in the know on these matters.

There is no reason to change the subject. There is a tendency for printed City comment to be too favourable to all Bank Governors, both incoming and outgoing—on the grounds that "after all, we have to live with them." This is a Soviet-type interpretation of freedom and democracy, which should be resisted.

If one takes the view that the main job of a central banker is not to be headmaster of the City or corporate sector but to watch over monetary policy (including its international ramifications), then a professional in that field is required. He needs to be someone thoroughly at home in the monetary technicalities which I find so uncongenial, but able also to relate these technicalities to basic principles and to a strategic objective.

The only way for a Premier to reform an institution she distrusts is to put in charge a competent professional who may share some of her views, but is able to stand up to her—as in the case of some of the recent Treasury appointments. To appoint a man, either because he is personally congenial or thought to be amenable, is hardly going to be satisfactory. Nor is it to appoint somebody who is regarded as a "team leader," drawing on the expertise of his advisers. As Machiavelli observed: "A Prince who is not himself wise cannot be well advised . . . He will never get unanimity in his councils or be able to reconcile their views . . . Good advice, whomever it comes from, depends on the shrewdness of the Prince who seeks it, and not the shrewdness of the Prince on good advice."

The crying need was for somebody with the makings of a Dr Otmar Emminger, the former president of the Bundesbank, or (to take a slightly different type) Mr Paul Volcker of the Fed, who feels at ease with the practice and theory of central banking in both its international and its domestic aspects.

One does not even have to go so far afield to illustrate what is required. One only has to observe the outgoing Governor, Lord Richardson, holding forth on the subject of City institutions. He becomes a different person, drops his proconsular air, forgets to summon advisers and plunges into the discussion like any thrusting academic or

The crying need was for somebody . . . who feels at ease with the practice and theory of central banking

journalist. It would have been a bold stroke to have had a Governor as self-assured and self-reliant on monetary policy as Lord Richardson has been in his own particular area of enthusiasm.

In a previous Lombard article (October 19, 1981) I put forward four names with a combination of expertise and some managerial ability. These included Eddie George, the youngish Bank of England director, now in charge of its monetary operations; Peter Middleton who could have switched to the Bank instead of the Treasury; Gordon Pepper, joint Managing Director of Greenwells and founder of a world-famous monetary bulletin. My fourth suggestion was actually very much in the running. He was Sir Phillip Haddon-Cave, until recently Financial Secretary of Hong Kong and now Chief Secretary of that colony. He is a friend of Sir Geoffrey Howe and was the first choice of a number of Thatcherite Ministers and advisers.

If for some reason all these four names have been ruled out, I would have suggested the reappointment of Gordon Richardson for another couple of years, to give this or another Government a little more time to think on the far side of a General Election. If even that had been ruled out, I would have preferred one of two central banking professionals: Sir Jeremy Morse or Mr Kit McMahon (the present deputy governor), although they may be insufficiently innovative for my taste.

The criticisms of the choice actually made have not been confined to the (not unreasonable) misgivings of the Labour Party and the Alliance. Not so well known is the keen disappointment of the more serious-minded Thatcherites—politicians, advisers and non-partisan officials and economists—a good many of whom I met over the holidays.

The early pronouncements of Mr Leigh-Pemberton hardly reassure one. We have learned for instance that inflation is a greater threat than communism and that the international debt crisis is over. His pronouncements are most embarrassing of all to those of us who favour a decentralised market economy and a monetary approach to inflation. For it is like seeing our own views presented in such a distorted mirror as to confirm all the caricatures of them which we read in the Guardian and the New Statesman.

The decision on the new Governor represents, above all, a missed opportunity for the Prime Minister to have exerted a worthwhile and enduring impact on the conduct of economic and financial policy. The missed opportunity is on such a scale as to amount to a major blunder.

It does not mean that we will have a world depression; but, it does mean that when such a depression is a finite possibility, Britain will not be in the intellectual forefront of measures to avert it. The Bank appointment has more than offset all the pleasure I obtained from the promotion of people such as Peter Middleton and Geoffrey Littler at the Treasury. It has confirmed that on many key issues the Prime Minister is certainly not what is normally regarded as a Thatcherite.

Letters to the Editor

The Monopolies Commission and the bid for Anderson Strathclyde

From Dr J. Bray, MP

Sir,—Professor Andrew Bain has taken the right and honourable course in resigning from the Monopolies Commission. He and his colleagues had been placed in an impossible position when Ministers overruled their majority report which found that the Charter Consolidated bid for Anderson Strathclyde was against the public interest.

Professor Bain's letter of resignation makes it clear that Sir Godfray Le Quesne, the chairman of the Monopolies Commission, acted in a high-handed way on a wrong interpretation of the law, confusing firm expectations of damage to the public interest with mere possibilities. The eccentric behaviour of the chairman, having lost the argument then insisting on writing a poorly argued note of dissent, misrepresenting the majority and carrying only one member of the Monopolies Commission with him, plainly put Ministers in a difficult position.

But Ministers compounded their difficulties by the attempt to cover up Lord Cockfield's interest in Charter Consolidated. Contrary to Mr Peter Rees's reply to me in the House of Commons on December 22, it was not made clear at the time of the Press statement why Lord Cockfield had left the matter to Mr Rees. The Department of Trade press notice issued on the morning of December 21 makes no reference to the reason.

It was not until I asked the Prime Minister about Lord Cockfield's interest during Prime Minister's question time at 3.15 pm in the afternoon of December 21 that it became public knowledge and the Prime Minister confirmed it. I myself only became aware of it less than an hour beforehand in circumstances in which I would expect the Prime Minister to have been told that I knew. Even at 4.50 pm the Department of Trade Press Office still did not know in which company Lord Cockfield had an interest.

While Ministers have more explaining to do in the debate needed when the House resumes, Sir Godfray Le Quesne must wish to consider his own position. In such circumstances it would be foolish for Charter Consolidated to go ahead with a bid. If Anderson Strathclyde shareholders read the Monopolies Commission report they will be happy to keep their shares.

(Dr) Jeremy Bray.
House of Commons, SW1.

From Professor D. MacKay

Sir,—Your leader (December 23) concerning the Monopolies Commission report on Charter Consolidated's bid for Anderson Strathclyde, keeps up your unenviable record in this case. Namely, an ability to wholly misunderstand the issues involved and to present opposing arguments in a tendentious and misleading fashion.

Possibly this is due to your failure to correctly anticipate the Commission's findings—for some time past you have been leaking "informed" comments that the Commission would find for Charter Consolidated. Now that the Commission has found for Anderson Strathclyde you evidently have not felt it necessary to read its report properly. Certainly your statements as to why the majority found against the bid bear no relation to the text of that report.

The only case ever decided on regional grounds has been the Royal Bank case. Yet you persist in presenting two other cases in the same light. For the record, the bid for Highland Distilleries was thrown out precisely because it would have restricted competition, which apparently is an acceptable reason even to the Financial Times. The Commission found against Charter's bid because it "may be expected to have had adverse effect upon the management effectiveness and labour relations of Anderson Strathclyde" and thus impair its efficiency. It seems to me that the argument would be valid wherever Anderson Strathclyde was located and, indeed, the text of the Commission's report indicates that it was not over-impressed with any supporting regional argument. It is therefore wrong, to the point of being intellectually dishonest, to argue that there is some sort of Scottish ring-fence. The evidence does not support any such contention.

There is a further, more important point. The Financial Times may not like the present scope of legislation under which the Commission operates. Important as that may be, the Commission must act according to the rules and guidelines established for it at a given moment of time. The Commission has done so, and has been overturned.

The main reason for this unique Ministerial decision is that many "City" people appear to be affected by the same "Scotch mist" which clearly impairs your vision. The decision to over-rule the Commission is shabby and unjust. No amount of leader writing can make it otherwise.

(Prof) D. L. MacKay.
53 Castle Street, Edinburgh.

Lenders to troubled borrowers

From Mr A. Stone

Sir,—The resentment voiced by at least one eminent Eurobanker ("The small banks get nervous," December 21) at pressure being brought by central banks on existing lenders to troubled borrowers to commit further funds indicates somewhat chillingly how far the international capital market has distanced itself from the traditional attitude of the lending banker.

Surely any High Street banker who involves himself in lending to a newly developed business sees himself as committing the bank to what is in effect an investment in his client, not a one-off loan transaction which upon repayment will enable the bank to withdraw from the relationship with capital intact and profits booked.

There is no logical reason why similar standards should not apply to Euromarket lending to developing countries. The main concern of the international banking community today should not be to cut its losses and scurry away from sovereign risk lending in the third world, but to mobilise all its resources to prevent a crisis of confidence in the international financial markets.

In the past few years the world's stock, commodity and currency markets have all shown that they can be "talked" up and down, in other words that prophecies will be self-fulfilling if enough people subscribe to them. It should be reasonably self-evident that if banks which have committed medium-term funds to countries with debt-service problems pull back and starve these countries of fresh capital inflows, not only will such countries' payments problems be greatly exacerbated, but the banks will forfeit credibility, confidence and ultimately their livelihood. The primary concern for even the smaller banks should therefore be to assist the problem countries creatively in the solution of the short-term debt service difficulties.

Central banks should not only be encouraging existing lenders to take the long view, but actively be assisting them by not insisting on heavy loan loss provisions. True, the volume of non-performing assets may be substantial, but the premature writing-off of loans to at least some of the problem sovereign borrowers is not going to resolve anyone's difficulties.

Anthony Stone.
PO Box 6677, Jeddah, Saudi Arabia.

Life assurance in disarray

From Mr D. Pope

Sir,—I am appalled at the disarray the life industry finds itself in over commission. It is bad enough that the Life Offices Association/Associated Scottish Life Offices cannot produce a new agreement, but to abandon the present agreement without replacement I feel is somewhat irresponsible and certainly not in the ultimate interest of the consumer.

The most recent development of an informal agreement between a group of conventional life assurance offices that looks remarkably like ASLO plus four that now proposes paying as to single premium bond business $4\frac{1}{2}$ per cent plus a 15 per cent increase to registered brokers and $4\frac{1}{2}$ per cent plus a further 10 per cent to other full-time intermediaries with no volume over-ride simply means that these companies will be paying more commission for the same amount of business.

How totally unaware of the market requirements these companies appear as to the unit-linked industry. Can they explain how they are to make a profit by paying 5.175 per cent for single premium bond business when their bid/offer spread is only 5 per cent, even when taxation transfer is taken into consideration which probably means that inevitably costs will be increased and the consumer will pay — Dr Vaughan, where are you now? What does seem to be really escaping people's attention is whether $3\frac{1}{2}$ per cent and now $4\frac{1}{2}$ per cent commission is perhaps too much for the job done. There are a number of intermediaries who produce business who do very little for their $3\frac{1}{2}$ per cent and there could well be justification to reduce their level of commission.

I quite agree with Mark St Giles, chairman of the Unit Trust Association (December 20) that the widening gap in commission between bonds and unit trust will simply make commission the main criteria and not the taxation or investment merits of the product. It must be an anomaly that an intermediary can earn far more commission by recommending a unit trust invested via a life fund rather than investing direct into the unit trust. What would be the position if the fiscal advantages of unit-linked and life insurance products generally were removed?

As to the intended differential payments of an extra 15 per cent for registered brokers and an extra 10 per cent only for other intermediaries I am sure that many of the stock brokers, accountants, solicitors and other financial advisers will react to being regarded as second-class citizens as to the lower rate of commission they would attract.

Perhaps like Lloyd's we need a chief executive to control our industry as well as incorporating many of the suggested methods of control made by Professor Gower in his report. At present the unit trust and unit-linked industry is less than 10 per cent of the total private investor wealth and if we increase commission and inevitably our costs — we will be pricing ourselves out of the private investor market completely.

David E. G. Pope.
Foxleys
Petworth Road
Haslemere
Surrey.

Market forces at work

From the Director
Menswear Association of Britain

Sir,—At the risk of having my shirt torn off my back by Mr Sussman of the British Clothing Industry Association (December 14), I have to agree with my equally good friend Rosemary McRobert of the Consumers' Association (December 30).

Generally the retailers we represent have kept the buzz phrase "low profile" except to acknowledge that the multi-fibre arrangement does reduce choice and to reiterate to the point of boredom that retailing involves the right goods at the right price at the right time. Sometimes that means British and sometimes foreign but always, for a particular retailer, what his chosen market aim requires.

Some buy for price reasons alone. Some Hong Kong-made quality shirts are sold at prices above comparable British makes. There is no black and white. There are dynamic and highly competitive market forces at work which successful retailers have to acknowledge. Vive la difference! Vive consumer choice!

Kenneth E. Smith.
Menswear Association of Britain,
Palladium House,
1-4 Argyll Street, W1.

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FINANCIAL TIMES

Thursday January 6 1983

BALKANCAR TAKES 30% STAKE IN FENWICK MANUTENTION

Bulgarians in French fork truck link-up

BY PETER BRUCE AND DAVID BUCHAN

SURGERY throughout the world's £4.7bn ($7.6bn) a year fork lift truck industry, made urgent by widespread overcapacity, has been a well-worn and, in many cases a devoutly wished prophecy in the past 18 months. For much of that time Western manufacturers have been eyeing the declining fortunes of France's biggest producer, Fenwick-Manutention with something approaching relief.

Fenwick, so the theory went, should have been the first 'major' to withdraw from the industry, leaving Western Europe with at least a further 20 big manufacturers. But the French Government has now given its blessing to a rescue by Balkancar of Bulgaria, the world's biggest lift truck maker which is to take a 30 per cent stake in Fenwick.

Fenwick, a major part of the diversified engineering group Fenwick SA, has been looking for a partner for two years. It is the world's 14th largest lift truck producer, but ran into trouble in 1981 when only 10,221 lift trucks were sold in France, nearly 30 per cent down on 1980.

A number of Western manufacturers, including Britain's Lancer Boss and United Technologies of the U.S. (through its fork lift subsidiary Matral Saxby), have maintained a running dialogue with Fenwick and French banks. But the Mitterrand Government appears to have decided that the temptation to close Fenwick might have been too strong for a Western partner to resist.

Even before the Fenwick link-up, Bulgaria had made no secret of its desire for selective purchases of West European companies in order to exploit its better technology and to expand market share in the West. Having piled up a hard currency trade surplus of more than $2bn in 1979-81, Bulgaria is the only Comecon country with spare cash to do this.

In the spring 1982, the Bulgarian engineering concern, Maschinoexport, took over Roeperwerk, a financially struggling West German company. Maschinoexport had been anxious to upgrade the electrical parts of its metal cutting machines to Western standards, and is now sending its export machines for the Western market to the Rhineland company to have electric motors and wiring added there. Balkancar appears to have similar motives with Fenwick.

West German qualms about the Roeperwerk takeover were allayed by Maschinoexport's undertaking to transfer some of its own basic production to the Rhineland. It is likely that Balkancar, which makes 70,000 trucks a year and exports 10 per cent of this total to the West, had made some similar undertaking on employment or production at Fenwick to satisfy the French Government.

Fenwick Manutention employs about 1,800 people at five plants, including one in Spain, where it is the market leader.

Balkancar, which assembles in six plants in Bulgaria and makes components in 40 others, began making lift trucks in 1952 and quickly established itself as the world's leading producer. Its products, however, are regarded as inferior in the West, despite increasing involvement with Western component manufacturers, including Perkins, Dunlop and Cableform in the UK. The Bulgarians already have an established link in France, through a joint venture which upgrades Balkancar trucks for export.

The deal with Fenwick, which is still under detailed negotiation, could go a long way to improving Balkancar's penetration in the West, and possibly pose a threat to cheaper Japanese imports that have worried European producers. Fenwick is also likely to use Balkancar's dominant position in the Comecon countries to market its trucks, especially to the Soviet Union.

The French Government's authorisation for the Balkancar link followed the presentation of a rationalisation plan under which Fenwick is to modernise its plants, reduce and standardise its range and cut its workforce to between 1,200 and 1,300 by the end of 1985.

Partly because of weaknesses in the major domestic producer, the French market has become one of the most hotly contested in Europe. Fenwick's share, which now stands at about 30 per cent, has been substantially reduced over the past five years, initially by competition from high volume Japanese manufacturers such as Komatsu and Nissan. European and U.S. competitors, including Linde and Still of West Germany, Clark and Hyster of the U.S. and the UK's Lansing Bagnall, have also established themselves firmly in France.

The market has, however, offered some encouragement to the prospective East-West partners, by showing new strength in the French market. Authoritative forecasts late last year were predicting growth of more than 4 per cent in 1982.

Germans expect protracted wage round

BY STEWART FLEMING IN FRANKFURT

THE opening shots will be fired today in what promises to be a long and highly politicised annual West German wage round.

Negotiators representing employers in the automobile and engineering industries in Lower Saxony sit down this morning with representatives of West Germany's largest trade union, the 2.8m-strong IG Metall, for the first session of regional talks. The metal industry settlement traditionally sets the pace for wage increases throughout the economy.

The mood of this year's talks was set yesterday when Herr Hans Janssen, the senior union official responsible for wage policy, bluntly accused the employers of having told him in a private meeting in November that they were not interested in reaching a settlement before March 6, the date on which the Federal Republic is expected to go to the polls to elect a new government.

"Of course we have to recognise that the negotiations are taking place in the highly charged atmosphere of a general election," Herr Janssen conceded. But he said that this was not of the union's choosing and that the union would seek to reach a settlement as quickly as possible.

In spite of the deterioration in the overall economic situation over the past year and the surge in unemployment to more than 2.2m, Herr Janssen said IG Metall was determined to press for a wage settlement which would at least match the 4.5 per cent inflation rate it expects this year.

To achieve this, however, negotiators will have to reverse the trend of the past two years when increases have been below the inflation rate. Last year the settlement was around the 4.2 per cent level. The union's opening bid in the talks, will be a 8.5 per cent wage claim.

Union officials are not expecting the employers to come back with an offer until the end of this month, when the first round of regional negotiations has been completed.

IG Metall's chances of achieving its minimum goal of matching inflation are not rated very highly. Herr Dieter Kirschner, a spokesman for Gesamtmetall, the employers association, yesterday described this year's wage talks as "the most important in recent years."

An early settlement aimed not at matching inflation, but at reducing cost pressures for companies was what was needed, be argued. Herr Kirschner said the employers would fight over every last decimal point in the agreement.

Behind the positions both sides are adopting are distinct interpretations of the role of this year's wage round in the overall economic picture.

The trade unions maintain that in view of the weakening of demand, a wage increase which will maintain real purchasing power is needed to support the economy and halt the rise in unemployment.

For the employers, controlling costs and improving profitability, which they argue will stimulate job-creating investment, is the top priority when the latest Bundesbbank assessments suggest that corporate profits are again under pressure.

For IG Metall a major problem promises to be to reconcile the interests of its members in sectors threatened with rising unemployment and those in more prosperous industries.

The union is putting considerable emphasis on helping the unemployed. The existing contract, however, prevents officials from negotiating a shortening of the working week to improve employment prospects in the industry. This theme is certain to be the centrepiece of next year's wage round.

Genscher confident, Page 2

MANUFACTURING OUTPUT FALLS

PRODUCTION in West German manufacturing industry fell by 1 per cent in November against tha previous month, with all sectors affected, the Economica Ministry reported yesterday. Preliminary figures for new orders, however, showed a S.S per cent rise in November, bringing to an and the steady monthly declina since the beginning of 1982. The rise was largely the result of a few big orders for investment goods, the ministry said.

New doubt on fate of Belgian steelmaker

By Giles Merritt in Brussels

THE FATE of Cockerill-Sambre, Belgium's loss-ridden steelmaking group, seems more deeply in doubt than ever as the result of fresh political disputes and new management uncertainties.

Mr Wilfried Martens, the Belgian Prime Minister, sparked the most serious of the rows himself with a New Year warning that 1983 marked the deadline by which the ailing steel group's restructuring and redundancies programme must be applied.

In addition, a secondary row has broken out over the true scale of Cockerill-Sambre's financial losses, and there are doubts over the identity of the new chief executive who is due to play a key role in the long-delayed streamlining of the group.

Mr. Martens's statement that for the future of Cockerill-Sambre "the drama is far greater than most people dare to admit" was apparently intended to help accelerate new restructuring moves. But it has so far had the effect of sparking angry reactions from trade unions and the Parti Socialiste in francophone Wallonia, where some 75,000 industrial jobs depend on Cockerill-Sambre.

The outcry has been a stern reminder that slimming down the state-owned steelmaker still risks creating a social and political crisis that could bring down Mr Martens's year-old coalition government.

The vulnerability of Cockerill-Sambre to savage cuts – going well beyond the 7,000 to 10,000 redundancies out of the 25,000 workforce that are being warned of – has been underlined by new claims that the group's real 1982 deficit is much higher than has been announced. There are reports that hidden losses of BFr 3.4bn take the total beyond the record deficit of BFr 17bn reached in 1981 instead of standing at some BFr 15bn ($326m).

The doubts surrounding the group were intensified yesterday by indications that the powerful new "company doctor" invited in from French industry to apply firm restructuring may not take up his post with Cockerill-Sambre.

M Jean Gandois, the former head of the Rhône-Poulenc chemicals concern, had been expected to take executive control of the group when its present head, M Michel Vandestrick, steps down, as scheduled, this year.

M Gandois, a veteran industrialist, has been billed only as a "technical consultant," yet be is credited with the view that Cockerill-Sambre's crude steel capacity of some 11m tonnes a year should be cut to around 5m tonnes and that jobs should be reduced by up to two fifths.

French warn Abe on trade

By David Housego in Paris

THE FRENCH Government yesterday delivered a sharp warning to Japan that the growing deficit in their bilateral trade was intolerable.

But M Michel Jobert, the Minister of External Trade, who had talks with Mr Shintaro Abe, the Japanese Foreign Minister, made clear that France looked to improvements from the current negotiations between the EEC Commission and Japan.

He underlined France's solidarity with the EEC by saying that France would not engage in bilateral talks on the trade issues covered by the EEC negotiations, while those talks were in progress.

Mr Abe is said to have "deplored" France's action in requiring that imported video tape recorders be processed through customs at Poitiers. Mr Abe is expected to see President François Mitterrand today.

Officials said that as a matter of priority, France was looking for voluntary restraint agreements from Japan covering colour television tubes, video tape recorders and numerically controlled machine tools.

France's deficit in trade with Japan has expanded from FFr 7.1bn ($1bn) in 1980 to FFr 12.5bn last year. In a communique issued after the talks, M Jobert was reported to have told the Japanese that this was "not tolerable."

France's protectionist lobby, Page 4

Bank of Japan expected to announce cut in discount rate

BY JUREK MARTIN IN TOKYO

A REDUCTION in the Japanese discount rate now appears more likely in the light of the recent sharp appreciation of the yen against the dollar.

Both the Bank of Japan and the Government are officially maintaining that it is still necessary to wait a little longer to be sure that the yen's rise is not merely the result of speculative flows.

Yesterday, Mr Noburo Takeshita, the Finance Minister, said the authorities needed to be certain that the yen's advance reflected an improvement in Japan's economic fundamentals. But he added that he did not expect much worsening in the value of the Japanese currency, given the probability of declining interest rates in the U.S.

From a practical standpoint, analysts here expect the Bank of Japan to play a cat and mouse game with the U.S. Federal Reserve for the next couple of weeks.

If the Fed cuts the U.S. discount rate, then the Bank of Japan's policy-making body, which convenes on Tuesdays, would find it easier to follow suit. The Japanese discount rate has stood at its present 5.5 per cent for over a year.

The Bank of Japan wants to avoid being burned, as it was last time. Then its rate reduction, combined with surging interest rates in the U.S., contributed to the dollar gaining in value by over 25 per cent against the yen over the first 10 months of last year.

Since November 1, the yen has risen against the dollar from its nadir of Y278 to its close yesterday at Y228.90. The gain over the holiday period, in admittedly thin and intermittent trading, has been particularly sharp – Y7 this week alone and Y14 since Christmas Eve.

Some analysts suspect that Japan would like to ascertain if a level of Y220 to the dollar is sustainable before any cut in the discount rate is implemented.

Another factor behind the yen's weakness for much of last year – the deficit on the long term capital amount – bad disappeared rather dramatically in the last three months.

Heavy foreign buying of Japanese securities and bonds has not only propelled the Tokyo stock exchange to an all-time high, but, more important, has transformed the capital account deficit into a surplus.

This improvement was somewhat obscured in November – the last reporting month – when the overall balance on current account swung into deficit. But this was largely attributable to a contraction in the merchandise trade surplus

Fresh hope on S. Korean aid

BY OUR TOKYO CORRESPONDENT

MR YASUHIRO NAKASONE, the Japanese Prime Minister, expects to resolve the long stalled $4bn financial assistance issue to South Korea when be visits Seoul next week.

If he does, he will be able to maintain in Washington a week later in consultations with President Ronald Reagan thet Japan has demonstrated its desire to play a more positive regional role in accordance with U.S. desires.

The swift arrangement of Mr Nakasone's trip to Seoul was clearly made possible by South Korea's release from detention just before Christmas of its most prominent dissident, Kim Dae Jung.

Kim had been seized by Korean agents from a Tokyo hotel in 1973, much to the embarrassment of Japan. More recently, relations between the two countries have been soured by his subsequent prosecution and imprisonment and by last year's textbook controversy, in which Japan appeared to be trying to gloss over its wartime occupation of China and Korea.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	C	14	57	Dubrovnik	S	13	55	Malaga	S	14	57	Salzburg	R	4	39
Akrotiri	C	12	54	Faro	S	13	55	Malta	-	—	—	Seoul	C	6	43
Algiers	S	18	64	Florence	R	15	59	Manila	S	30	86	Singapore	S	31	88
Amsterdam	C	12	54	Frankfurt	R	11	52	Miami	C	26	79	Stockholm	S	2	36
Athens	S	15	59	Funchal	-	—	—	Milan	Fg	1	34	Strasbourg	C	12	54
Bahrain	S	17	63	Geneva	R	9	48	Moscow	C	-3	27	Sydney	S	29	84
Bangkok	S	32	90	Gibraltar	S	14	57	Munich	R	8	46	Taipei	C	18	64
Barcelona	F	10	50	Guernsey	C	12	57	Nairobi	-	—	—	Tangier	S	15	59
Beirut	C	12	54	Helsinki	Sn	3	37	Naples	S	14	57	Tehran	-	—	—
Belgrade	R	7	45	H. Kong	R	17	63	New Delhi	S	18	64	Tel Aviv	S	13	55
Berlin	S	6	43	Innsbruck	R	2	36	New York	C	1	34	Tenerife	C	19	66
Biarritz	S	17	63	Inverness	C	7	45	Nice	S	12	54	Tokyo	C	10	50
Blackpool	R	10	50	Istanbul	C	5	41	Oporto	S	9	48	Toronto	C	1	34
Bordeaux	C	13	55	Jersey	C	12	54	Oslo	Sn	0	32	Tunis	F	15	59
Brussels	C	12	54	Jo'burg	S	29	84	Paris	C	13	55	Valencia	S	15	59
Budapest	C	7	45	Las Palmas	R	15	59	Prague	R	5	41	Venice	R	4	39
B. Aires	C	29	84	Lima	S	29	84	Reykjavik	Sn	-3	27	Vienna	R	6	43
Cardiff	C	15	59	Lisbon	-	—	—	Rio de J'o	C	31	88	Warsaw	C	4	39
Cape Town	-	—	—	Locarno	F	7	45	Rome	S	11	52	Zurich	R	9	48
Caracas	C	25	77	London	C	14	57								
Casablanca	F	15	59	Los Angeles	S	23	73								
Copenhagen	F	3	37	Luxembourg	D	11	52								
Corfu	F	12	54	Madrid	S	6	43								
Dublin	C	14	57	Majorca	C	12	54								

Readings at mid-day yesterday

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

East bloc 'peace pact'

Continued from Page 1

In the past, the Soviet Union – like the U.S. in Nato – has chivvied its allies to maintain or increase military spending.

The only notable backslider on this has been Romania, whose leader, President Nicolae Ceausescu, appeared however to play a fuller role at the Prague meeting than in the past. He chaired one of the three summit sessions.

● Our Foreign Staff adds: The U.S. State Department last night refused to comment on the Warsaw Pact proposal. The plan appeared to be an old Soviet idea that had been rejected in the past, a spokesman said.

This view was echoed in Western Europe, although one diplomat said Nato leaders would wait for the full text of the Prague communique "to see if there is anything between the lines worth pursuing." Others felt it was too soon to say whether the meeting would lead to new moves in arms control negotiations between East and West. "If the non-aggression treaty is the main idea, then it's a bit thin," a British official remarked.

Paris cautious on interest rate reduction

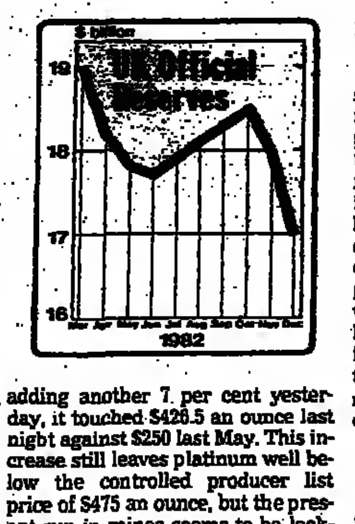
Continued from Page 1

cut in the interest paid out on savings accounts, from 8.5 per cent to 7.5 per cent, the Government is also about to announce more details of a special programme for cutting long-term borrowing charges for companies engaged in investment projects.

The scheme was first mooted in September by President Mitterrand, who has emerged recently as a strong advocate of measures to ease financial charges on the corporate sector.

THE LEX COLUMN

Old Lady draws on her reserves



The image conjured up by the official UK reserve figures for November – of the Bank of England dabbling gently in the foreign exchange markets to smooth out untoward fluctuations – has been rudely broken by the December statistics produced yesterday. An underlying fall of $856m – $500m more than in the previous month – suggests an increasingly muscular approach to the support of sterling.

Sterling admittedly came under strong pressure only towards the end of November, but the final month of the year contained the quiet Christmas period when a light hand of the tiller should have been enough to keep the trade-weighted index on an even keel.

It does not appear that December saw any significant unwinding of forward positions taken up in the previous month, so the published figure probably gives a fairly true indication of the level of intervention.

The question now for the gilt-edged market is whether sterling purchases by the Bank have had a sufficiently contractionary influence on the monetary aggregates to relieve the domestic funding pressure on the authorities. The modest growth in sterling M3 during the three weeks to December 8 owed relatively little to such external items, so it may be that fairly heavy funding will still be required, particularly as a period of large dividend payments and redemptions is approaching.

The Bank, meanwhile, must hope that the more optimistic tone now surrounding the oil price will arrest the drift in sterling and enable it to replenish those dwindling reserves.

Platinum

As New Year euphoria infected the mining and oil sectors yesterday, platinum was swept ahead by a buying spree which propelled the three big South African producers up by an average of almost 14 per cent. There is a thinnish market in these shares and yesterday's dizzy rise partly reflected strong demand from U.S. investors. But since bottoming last June, the share prices of Rustenburg, Impala and Lydenburg have all virtually tripled in value, influenced by platinum's close links with the gold price and hopes of an economic upturn.

As in the gold sector, where the mining share index broke another record yesterday, the platinum mines have led the commodity, but the free market platinum price has also emerged from the casualty ward in no uncertain manner. After adding another 7 per cent yesterday, it touched $426.5 an ounce last night against $250 last May. This increase still leaves platinum well below the controlled producer list price of $475 an ounce, but the present run in mines seems to be looking towards this sort of figure later in the year.

Whether platinum can achieve such a target ought logically to depend on U.S. recovery. While platinum is to some degree a quality refuge like gold, and has historically, though not over the last two years, enjoyed a premium on the bullion price, the auto and chemical industries use up the majority of supplies. It may need strong demand from this area to maintain the price, particularly with 30 per cent or so of South African capacity currently mothballed.

London listings

The EEC Sixth Directive comes into force in the UK in June, and it is likely to reduce the attraction of a London listing for foreign – and in particular U.S. – corporations. Under present arrangements U.S. corporations can effect a "Big Board Introduction" at a cost below £50,000 by making an Extel statistical information card available. That concession is withdrawn under the directive, and an introduction will require a full prospectus, costing up to £¼m.

As serious are the implications for U.S. corporations already listed in London, numbering around 100. They will have to produce a prospectus – at considerable expense – each time they issue new shares anywhere in the world. This may not have been too onerous a requirement when the legislation was published in the spring of 1980, but recently the Stock Exchange Council (SEC) has allowed big corporations merely to produce a simple form, referring to previously published information. For European purposes, however, a full prospectus will still be required.

The effect may be to reverse the steady trickle of U.S. household names on to the London market. In practical terms, that may not matter much. Even though U.S. companies may be quoted in London, UK investors still deal in the much broader Wall Street market. London listings are often sought for cosmetic purposes, for image and product advertising. Nevertheless, wholesale de-listing would be a backward step for the integration of financial markets, and ironic when the SEC has just eased the requirements on European companies listed in the U.S.

Life insurance

The new business figures for 1982 coming from the life companies indicate growth in ordinary life business and excellent sales of self-employed pensions but a significant decline in company pensions business.

So the outbreak of a commissions war by the life companies offering escalating commissions for life and self-employed pensions business, looks somewhat strange, when a more united stand is still being taken on company pensions commission. The life companies have performed satisfactorily on life business on the old scale of commissions, but not on group pensions.

A closer analysis shows that the established life companies did after all get the expected share of the linked life market, although business was comparatively poor in the first half of the year. This led to pressure on the Life Offices Association and the Associated Scottish Life Offices to terminate the official commissions agreement from the end of 1982.

The reaction to the termination by the traditional life companies has been to put up commissions substantially and clobber everyone in sight. Insurance brokers are getting up to 15 per cent more per contract.

The disquieting feature is that no company has stated how it intends to pay these higher commissions, even though no premium increases are being announced. So the cost, if not met by substantially higher new business, will come out of policyholders' and shareholders' pockets. But such is the strength of the hidden reserves of these companies that no one will notice the effect for years. Dividend and bonus increases are assured for 1983 at least.

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SECTION II – COMPANIES AND MARKETS
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Statoil profits double in year

By Fay Gjester in Oslo

STATOIL, Norway's state oil company, made pre-tax profits of NKr 2.9bn ($415m) in 1982, more than twice the 1981 figure.

Sales reached NKr 17bn, compared with NKr 13.5bn. More than 90 per cent of the company's profits go to the state, in dividend and taxes.

Investments totalled NKr 8.5bn in 1982, most of which was spent on the Statfjord oil and gas field and the Statpipe pipeline project. This year, investments are expected almost to double, to an estimated NKr 12 bn, while sales and profits will also set new records.

Mr Arve Johnsen, the managing director, said a "national effort" should be made to enable production to start by the mid-1990s from the giant Troll oil and gas field in Norway's section of the North Sea.

Development of this field, which overlaps four adjacent blocks or licence areas, will present difficult technical problems because it bes in deep water – about 300 metres.

"The Troll field is not merely a key field from an economic viewpoint," he said. "It is also a forcing bouse for the development of oil technology. If Norwegian interests do not seize this chance, others will do so under our very noses."

CSFB forms new company

By Our Euromarkets Staff

CREDIT Suisse First Boston (CSFB) yesterday announced the formation of an investmeot management arm. The bank, which is owned by both First Boston and Credit Suisse, intends to develop its central bank, insurance company, pension fund and international corporate cash management services through the new company.

Two French banks raise capital

BY DAVID MARSH IN PARIS

BANQUE PARIBAS and Banque Indosuez, two of the big French banks taken into state control in last year's nationalisations, have announced important capital increases, designed to boost their competitive muscle, above all oo foreign markets.

The two capital rises have been funded mainly by the banks' state-owned parent holding companies, Compagnie Financière de Paris et des Pays-Bas and Compagnie Financière de Suez.

The moves follow closely on the heels of the more than doubling of capital, shortly before Christmas, of Banque Française de Commerce Extérieur, the state foreign trade financing bank.

The Government is aware that many of the country's nationalised banks are severely under-capitalised by international standards, but it is highly reluctant to put up funds directly from the state budget to increase the banks' equity base.

The money is even more urgently needed to cover losses and fund investment throughout the network of financially troubled industrial companies, now also owned by the state.

Banque Indosuez has increased its share capital to FFr 1.45bn ($218m) from FFr 1bn, mainly through an injection of FFr 300m from Compagnie Financière de Suez. The remaining FFr 150m has come from an incorporation of reserves.

Together with reserves, the bank's overall capital stock is now about FFr 2bn. This makes it the fifth largest French bank by capitalisation after the Big Three nationalised banks and the semi-state farmers' cooperative, Crédit Agricole.

The share capital of Banque Paribas has been increased for FFr 900m from FFr 750m, while its overall capital stock, including reserves, has been boosted to FFr 1.8bn from FFr 1.46bn. Paribas-Warburg, the company held jointly with S. G. Warburg, which previously held a 24.2 per cent stake in Paribas, has not participated in the capital increase. Its stake has thus fallen to 20.2 per cent.

The increase in capital of both banks has been judged necessary, above all because of their expansion in foreign banking. Indosuez makes about 80 per cent of its profit abroad; Paribas about 50 per cent. The Finance Ministry views the institutions as among the most important flagships carrying aloft the credit rating of France on international capital markets.

The move to boost the banks' resources comes at the same time as details are emerging of a greater domestic industrial role to be carried out by the Compagnie Financière de Suez holding group. As part of the Government's restructuring of smaller banks, taken under the state wing last year, the Suez group is to take over the industrial participations of the Compagnie Européenne de Banque, formerly Banque Rothschild.

Among other companies, the participations include a stake in Imetal, the mining holding compaoy which is in difficulties because of large losses at its subsidiaries Le Nickel and Penarroya.

Ahold increases sales by 24%

BY WALTER ELLIS IN AMSTERDAM

AHOLD, the Dutch-based retailing international, increased sales by 24 per cent in 1982 to Fl 8.8bn ($3.4bn).

Mr Albert Heijn, chairman, said results for the second half should at least equal those for the same period in 1981 (net earnings Fl 30.8m). As a result, net profit for the year as a whole would exceed the 1981 figure of Fl 53.8m.

Group figures include results from Giant Food stores in the U.S. acquired in 1981 and trading with increasing success after a period of reorganisation. Sales of Giant Food rose by more than 13 per cent in 1982 and are expected to play an increasingly important part in Ahold finances.

Ahold also owns the Bi-Lo chain of supermarkets in the U.S. as well as stores in Spain and 650 outlets in the Netherlands.

The group's Miro hypermarket chain is marketing a new Wit Merk range of own-brand commodities, from cigarettes to soup, margarine and razor blades.

● A reduction of between 400 and 600 in the strength of the workforce at ADM, the troubled Amsterdam ship repairer, is essential if the yard is to continue to function and perhaps to benefit from further Government aid, argues a Government commissioned report out this week.

The cost of the workforce is too high because too small a proportion is engaged in actual repair work. The report recommends either reducing the nnmber employed from 1,500 to 900 and closing one drydock or cutting back to 700, with the shutting of two drydocks. In both cases it is assumed that contracts with some 200 Yugoslav workers would oot be renewed.

The report considers that losses of up to Fl 10m in 1983 are inevitable even if its suggestions are put into effect. But recovery could follow a general upturn in the business cycle.

Kuwait dealers may face prosecution

BY KATHLEEN EVANS IN KUWAIT

KUWAIT may shortly start criminal prosecutions and bankruptcy proceedings against a number of dealers involved in the country's $94bn legacy of the crash last summer of an unofficial stock market.

This week some 13 people were referred to the court of investigation to determine what kind of prosecution, if any, should be initiated against them.

This number could grow rapidly in the next few weeks as the Government-appointed arbitratioo panel works its way through the 43 people who have had their assets attached by the Kuwait Government.

The panel is deciding whether these large dealers have sufficient assets to meet obligations incurred by their post-dated cheques.

Among the 43 names on the Government's list are seven women and small children, all close family members of the large speculators.

The prospect of bankruptcy proceedings could alarm many of the big dealers' debtors, for under Kuwaiti law, they would have to pay up immediately.

Such people – and others seen worth supporting – will now be able to secure bridging finance from a special fund established by the Government. The fund is to be managed by the Kuwait Foreign Trading and Contracting Company (KFTCIC) and the Kuwait Investment Company (KIC).

No limit has been set on the size of the fund, which will depend on the number of applications they receive for assistance. But one problem is already emerging. This coocerns the collateral for the loan which applicants may receive. At the moment, KFTCIC says it will only accept land and shares from the Kuwait official stock exchange.

However, many of those seeking assistance are likely to have a large part of their assets in shares from the unofficial Souk Al Manakh exchange. Such shares would not be recognised as legal instruments of collateral, a KFTCIC official said.

Alcoa and ICC plan smelter complex

By Michael Thomson-Noel in Sydney

INITIAL planning for a A$1.2bn ($1.18bn) aluminium smelter-power station complex in Western Australia is to be undertaken by Alcoa of Australia and the Korean group, ICC Construction. The most likely site is Bunbury, 180 km south of Perth.

The initial agreement was announced yesterday by the Western Australian State Government, though Alcoa denied that the announcement was linked to Tuesday's news that state elections will be held in Western Australia on February 19.

Setbacks in the Australian aluminium business included last year's decision by Alcoa to shelve its troubled A$1bn smelter at Portland, Victoria.

However, a survey last year by the Australian Mutual Provident Society, the country's biggest non-government investor, indicated that 10 bauxite/alumina/aluminium projects, worth a combined A$3.36bn, were at the "definite" stage, with a further seven, worth a total of A$3.76bo, listed as "probable."

Australia has vast reserves of hauxite and plenty of cheap energy.

Under the agreemeot announced yesterday, Alcoa is to investigate possible sites, and ICC Construction to assess aluminium technology. A full-scale feasibility study is expected to begin in April, with a decision to build the projected 600 megawatt power station, conditional on a go-ahead for the smelter.

The State Government says work on the smelter could start next year, with the first metal being produced in late 1986.

Based oo the 1982 value of the dollar, the estimated cost of the smelter is A$750m with the power statioo costing a further A$450m.

The project would provide an estimated 3,000 constructioo jobs.

Japan supermarket chains agree to merge interests

BY YOKO SHIBATA IN TOKYO

NICHII, Japan's fifth largest supermarket cbain store operator, and Uny, the sixth largest, have agreed to merge their Interests to form what would become Japan's second largest supermarket chain store operator.

A steering committee has been set up to discuss details of the merger, such as the date and financial terms, as well as the name of the new company. The head office is likely to be set up in Tokyo and the merger is expected to take place on September 1.

If the merger goes through, the new company would have an estimated annual turnover of Y900hn ($1.9bn) in the financial year ending February 1983, putting it second only to Dai'ei, but well ahead of Ito-Yokado.

Supermarket companies, which have been star performers among Japanese industrial sectors until recent years with rapidly growing sales, have now had to face more sluggisb consumer spending, resulting from slower growth in personal incomes and changed consumer shoppiog patterns. In addition, the industry was hit hard by the Large Retail Store Law, which tightened restrictions on opening new sales outlets.

In the first half year of fiscal 1982, to August 31, four out of tne eight hig supermarket operators reported setbacks in both operating and net profits. The supermarket groups have found their old practice of expanding new sales outlets has not boosted their sales as much as used to be the case.

Nichii reported a 40 per cent fall in its half-year operating profits, due largely to the higb proportion of clothing in its sales, which were hit by bad weather. Nichii, with its lorgest sales network in the Kansai region, appears to have chosen Uny, whose strength lies in the Nagoya area.

In the current fiscal 1982 year (ending February 1983), Nichu's full-year operating profits are expected to reach Y12bn (Y14.6bn in 1981), on annual sales of Y550bo (Y490.9hn).

Amatil lifts earnings at 12-month stage

BY OUR FINANCIAL STAFF

AMATIL, the major Australian tobacco and food group, has reported a 20 per ceot rise in net profits for the year ended October 31 to A$43.63m ($43m) from A$36.21m a year earlier. Sales rose 10.5 per cent to A$1.46bo from A$1.32bn.

The company said the main reasons for the profits growth were solid performances by its tohacco and beverage divisions. Amatil, in which BAT Industries of the UK has a stake of about 35 per cent, is a leading Australian cigarette maker with hrands such as Bensoo & Hedges.

A final dividend of 10 cents a share was declared, unchanged from a year earlier, although the capital was increased by a one-for-five scrip issue to the most recent year. The dividend total is unchanged at 20 cents a share for the year. Earnings per share were 48 cents agaiost 38 cents.

The full year net profit was struck after tax of A$34.06m (A$25.9m a year earlier), depreciation of A$19.91m (A$16.19m), interest of A$19.72m (A$19.74m) and mioorities of A$910,000 (A$595,000), but before extraordinary profits of A$3.51m (A$6.14m loss a year earlier).

INTL. COMPANIES and FINANCE

Time Inc. launches $100m Eurobond

By Alan Friedman in London

TIME INCORPORATED, the U.S. publishing group, made its debut on the Eurobond market yesterday with a $100m partly-paid issue. The seven-year bond carries a 10¾ per cent coupon, viewed by some in the market as rather aggressive pricing.

Only 25 per cent is payable this month; the balance is due next July. Time can call the bonds back in the fifth year at 101½. Salomon Brothers and Morgan Guaranty are lead-managers of the deal.

The appearance of the Time bonds yesterday brings this week's offerings to nearly $1.4bn (including Tuesday's $1bn Sweden issue), which is a healthy start for 1983. The new issues this week are not only noteworthy in terms of volume, but also because they represent a wide variety of borrowers, including a French bank (Credit Agricole), a British food and brewery company (Allied Lyons) and a Canadian province (Nova Scotia).

The Time issue would probably have cost the borrower around 25 basis points more, had the issue been launched in the New York market rather than in Europe. So far, at least, some U.S. corporations are evidently finding Europe is still a cheaper alternative.

Eurodollar bonds gained slightly in an active secondary market. Prices of Euro D-Mark bonds were roughly unchanged last night while Swiss franc bonds gained ½ point on the day. The Japanese Government bond market has been having a heady few days; prices have soared on rumours of an impending reduction in the Japanese discount rate.

The new DM 2.9bn seven-week West German foreign bond calendar got off to a start yesterday with a DM 50m private placement for Denmark through Commerzbank. The Mortgage Bank of Denmark, meanwhile, launched a DM 100m 10-year 8½ per cent public issue, priced at 99½ to yield 8.58 per cent at issue price. WestLB is lead-manager.

A DM 100m seven-year issue is being placed privately for the Österreichische Kontrollbank (OKB) through DG Bank. The coupon is 7¾ per cent at par.

Sweden, fresh from its $1bn floating rate Euronote, is also tapping the D-Mark sector; it is placing DM 100m of 7¾ per cent paper through Dresdner Bank and Deutsche Bank. The bonds carry a five-year maturity.

Among other names expected in the Euro D-Mark sector in coming weeks are H. J. Heinz, the World Bank, Ireland, ITT, Nippon Steel, the EEC, Bank of Tokyo, Italy's Ferrovie della Stato and South Africa's Iscor.

From Zurich comes word of a SwFr 120m private placement for the Inter-American Development Bank through Credit Suisse. The coupon is 6¼ per cent and the maturity seven years.

Toronto listing for small companies

BY NICHOLAS HIRST IN TORONTO

SMALL COMPANIES with limited capital and few shareholders should soon be able to raise new capital on the Toronto Stock Exchange.

The Ontario Securities Commission (OSC) has agreed to allow small companies to raise capital on the exchange without issuing a full prospectus.

Through a device known as a Toronto offering prospectus, a member firm of the exchange can act as a sponsor to a small company, and the company's shares will be offered on the floor of the exchange.

Provided the offering attracts a minimum of 200 shareholders and raises the company's net capital to C$35,000 (U.S.$28,688), it will automatically gain a listing.

For 30 days after the initial share offering, the sponsoring member will be able to deal as a principal in the newly listed company's shares, selling, if required, to its own clients.

This departure from normal practice is intended to increase the stock's marketability in early dealings.

Mr Huntly McKay, a vice-president of the Toronto exchange, expected between 20 and 50 new companies to come to market by the new route during this year.

"I am inclined to believe that high-tech companies are very likely users with the traditional Canadian mining and oil and gas companies," Mr McKay said.

The new system will be reviewed by the OSC after four years and permission to continue it needs to be renewed after five years.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. The following are closing prices for January 5.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aetna Life 15 86/97	150	109¾	110¼	+0⅛	−1⅛	11.13
Amax O/S Fin 14¾ 90	75	106⅝	107⅛	+0⅛	+0¾	12.50
Amro Bank 13 89	200	105½	106	+0⅛	+1⅛	11.71
BHP Finance 14⅜ 89	150	107¾	108⅛	−0⅛	+0⅝	12.82
Bk America NT & SA 12 87	200	103⅛	104⅜	+0½	+2½	10.64
Bk Montreal 14½ 87	100	106¾	107¼	+0⅛	+1	12.28
British Col Hyd 14⅝ 90	200	109¾	110⅛	+0¾	+0¾	12.31
British Col Hyd 15¼ 92	150	114⅜	114⅞	+0¼	+1⅜	12.50
Canada 14⅜ 87	750	110⅝	111⅛	+0⅛	+0¼	11.88
Canadair Ltd 12½ 89	175	104⅜	104⅞	+0½	+1⅜	11.47
Canadian Wheat 11¼ 90	50	98¾	99¼	+0⅛	+0⅝	11.44
Can Pac Sec 14⅝ 92	75	107	107½	0	+0⅝	13.16
Can Pac Sec 15 89	75	106	106⅝	−0¼	+0¼	13.43
Citicorp O/S 15 84/92	100	105⅜	105⅞	0	+0⅝	6.97
Coca Cola Int 11¾ 89	100	105⅞	106⅜	+0¾	+1⅞	10.42
Credit Suisse 10½ 89	100	101¼	101¾	+0¼	+0¾	10.16
Deutsche Bk Fin 14¼ 89	300	108¾	109¼	+0⅛	+0⅞	12.15
Du Pont 11¼ 95	150	100⅞	101⅜	+0⅞	+2¼	11.07
Du Pont 14½ 89 WW	200	107½	108	0	+0⅝	12.31
E.D.C. 10¾ 90	100	98⅝	99⅛	+0¼	+0¾	11.06
E.D.F. 12¾ 87	150	102¾	103¼	+0⅛	+0½	11.87
E.I.B. 15½ 92	100	111	111½	+0¼	+1	13.30
Exportfinans 14⅛ 89	50	106⅛	106⅝	+0⅝	+0¾	12.92
Exp Dev Corp 11⅜ 87	100	102	102½	+0¾	+0⅞	11.18
Forsmarks 13¾ 92	75	103⅝	104⅛	+0⅛	+0⅝	13.08
Gaz de France 12¼ 93	175	18¾	19¾	+0⅛	+0¼	12.29
Gen Elec Credit 12 89	100	106⅛	106⅝	+0½	+1	10.80
Getty Oil Int 14 89	125	107¾	108¼	+0⅝	+0½	12.88
GMAC O/S Fin 10 97	100	108	108½	+0⅜	+0⅝	12.38
GMAC O/S Fin 15 89	125	108⅞	109⅜	+0⅝	+1⅜	12.77
Gulf Oil Fin 12¼ 87	100	104⅜	104⅞	+0⅝	+0⅞	10.91
IBM World Trade 12¼ 92	200	106¾	107¼	+0⅛	+2¾	10.92
Manitoba Prov 11¾ 89	125	103⅞	104⅜	+0¼	+2½	10.85
Manitoba Prov 13¾ 89	100	107⅛	107⅝	+0⅝	+1⅜	12.03
Midland Int Fin 11⅛ 92	150	99½	100	0	+0⅞	11.53
Nat West Fin 11⅜ 92	150	100⅞	101⅜	+0⅛	+0⅝	11.54
New Brunswick 15¼ 87	75	109¾	110¼	+0⅛	+5⅜	12.29
Newfoundland 15½ 90	75	110⅛	110⅝	+0½	+1	15.21
Nova Scotia Prv 15¼ 89	75	112¼	112¾	+0¼	+1	12.32
Ontario Hydro 12⅝ 92	200	100½	101	+0¼	+1⅜	11.68
Ontario Hydro 14⅝ 90	150	110⅝	111½	+0¼	+1¼	12.14
Ontario Hydro 15 92	150	113⅞	114⅜	+0⅝	+1⅜	12.37
Phillips Petrol 14 89	200	107⅜	107⅞	+0⅛	+1⅛	12.16
Prudential O/S 12¾ 87	150	105¾	106¼	+0⅛	+0⅞	11.84
Quebec Hydro 11½ 92 O	100	98⅜	98⅞	+0⅛	+0¾	11.73
R. J. Reynolds 12¾ 89	100	105	105½	+0½	+0⅞	11.56
Saskatchewan Prov 15 92	150	112¼	112¾	+0¼	+1⅝	12.64
Shell Canada 14⅜ 92	125	107¾	108¼	+0⅛	+0⅞	12.82
Superior O/S Fin 14 89	125	107⅛	107⅝	+0⅝	+0¾	12.23
Swed Exp Credit 14⅜ 90	100	106⅞	107⅜	+0⅛	+0¾	13.14
Texas Eastern 15¾ 89	60†	109¾	110¼	+0⅛	+0¼	13.26
U.B.S. 10¾ 87	200	103¾	104¼	+0¼	+0¾	9.70
U.B.S. 11 89	150	103¾	104⅞	+0¼	+0⅞	10.12
Walt Disney Pro 12½ 89	75	105½	106	+0¾	+1⅛	11.14
World Bank 10⅞ 90	200	98½	99	+0¾	+1⅛	11.14
World Bank 11⅛ 88	100	98⅜	98⅞	+0¼	+1	11.32
World Bank 13⅛ 87	300	106⅝	107⅛	+0¼	+1⅛	11.33

Av. price changes: on day −¼, on week +1

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aeroport Paris 8¼ 92	80	101	101½	+0¼	+0½	8.06
Asian Dev Bank 8¼ 92	150	99¾	100¼	+0⅛	+1⅛	8.24
Asian Dev Bank 8¾ 92 (AG)	150	104⅝	105⅛	−0⅛	+0¾	8.46
Australia 7⅝ 92	200	104⅝	105⅛	−0⅛	+0½	7.02
Bayer Capital 7⅞ 89	150	101⅛	101⅝	0	+0⅝	7.38
Beecham Fin 8¼ 92	125	102⅝	103⅛	−0⅛	−0¼	7.87
Black & Decker 8¼ 89	100	105⅜	105⅞	−0⅝	+0⅝	7.00
Bowater Int Fin 9½ 89	50	101¾	102½	0	−0¾	8.05
Caisse Nat Tele 9½ 92	100	105⅜	105⅞	0	+0½	8.58
E.C.S.C. 8 94	200	102⅜	102⅞	0	+0⅝	7.65
E.E.C. 8 94	200	102	102½	−0¼	+0⅛	7.68
E.I.B. 8¼ 92	200	102⅝	103⅛	−0⅝	+0⅝	7.81
GKN 8⅜ 89	100	98⅞	99⅜	+0⅛	+0¼	8.51
Gould Int Fin 8¼ 89	75	102¼	102¾	−0¼	−0¼	7.76
Ireland 8⅞ 91	150	98	98½	+0¼	+0¼	9.19
ITT Antilles 9¼ 92	100	106⅞	107½	+0⅛	+0¼	8.14
Mitsubishi Heavy 7⅞ 97	150	100½	101	−0⅛	+0⅛	7.43
Norsk Hydro 8½ 92	100	106⅝	107⅛	0	+2	7.46
Norsk Hydro 9 92	100	106⅛	106⅝	−0⅛	+0⅝	8.00
O.K.B. 8⅞ 88	100	104⅛	104⅝	+0⅝	+1⅜	7.96
Philips Lamps 8½ 92	100	106⅝	107⅜	+0⅝	+0⅝	7.43
Tenneco Int 9 92	100	105⅜	105⅞	0	−0⅝	8.11
World Bank 8¼ 92	200	102¾	103¼	−0¼	+0⅝	7.88
World Bank 9 92	200	106⅛	106⅝	+0¼	+0⅝	8.00

Av. price changes: on day 0, on week +½

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Austrian Elec 6¾ 92	100	106	106¼	+0½	+0½	6.03
B.F.C.E. 6⅛ 92	100	102	102¼	+0⅝	+1⅜	6.95
City of Oslo 6¼ 92	100	105½	106⅜	0	−0¼	5.54
E.E.C. 6⅛ 92	100	104¼	104½	+0⅝	+1	5.65
E.I.B. 6¼ 92	100	103⅝	103⅞	−0⅛	+1	5.73
Elec de France 6⅞ 92	100	105⅝	105⅞	−0⅝	−1½	5.10
Elec Power Dev 6½ 92	100†	106¾	107	+0⅝	+0¾	5.59
Europarat 6¾ 92	100†	104⅝	104⅞	−0⅝	+1½	6.09
Ind Bk Japan 6¼ 92	100	103¾	104	−0⅛	+0¾	5.72
Japan Air Lines 9 94	100†	105	105¼	0	+0¼	5.48
Kawasaki Steel 8½ 92	100	102⅝	102⅞	+0⅝	+0¾	9.11
KLM Dutch Air 6¼ 92	80	105	105¼	+0⅛	+1⅝	5.56
Koa Oil Co 7 92	75	105¼	105½	0	+0½	6.23
Mont Blanc Tun 7⅛ 92	70†	105¼	105½	+0⅝	+1¼	6.36
Montreal Urban 6½ 92	100	105	105¼	+0½	+0⅝	5.80
New Zealand 5¼ 92	100	102	102¼	−0⅝	+0⅞	4.97
Norges Kommbk 6¼ 92	100	105⅝	105⅞	−0⅝	−0½	5.50
Philip Morris 5¼ 92	100	103⅝	103⅞	+0⅝	+1⅛	4.75
Philips Lamps 5¾ 92	100	104½	104¾	+0⅝	+0⅝	9.15
Sumitomo Metal 6¾ 92	100	103½	103¾	+0⅝	+0⅛	6.23
Swed Exp Cred 7¼ 91	100	105	105½	0	+0⅛	5.43
Sweden Kingdom 5⅞ 92	100	101	101¼	+0½	+1⅛	9.72
TNT O/S Fin 6⅞ 92	100	103⅝	103⅞	+0⅛	+0¾	6.37
Tokyo Elec Power 5⅞ 92	100	103	103¼	+1	+1⅜	5.45
Tokyo Metropolis 5⅝ 92	100	100⅝	100⅞	+0½	+0⅞	5.27
World Bank 6¼ 92	100†	105	105¼	+0½	+1⅜	5.65

Av. price changes: on day +¾, on week +¾

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅝ 92	15	107⅛	107⅝	+0¾	+0⅞	7.51
E.I.B. 8¼ 92	15	103¾	104½	+0⅝	−0⅝	7.61
Japan Airlines 7⅞ 87	9†	102¼	102¾	0	+1	7.15
New Zealand 8⅞ 87	15	105⅝	106⅛	+0⅝	+1⅜	6.61
World Bank 8⅛ 92	20	106	106⅝	+0½	−2⅛	7.39

Av. price changes: on day −½, on week −1⅜

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Brit Col Tel 17¼ 88 CS	50†	113	113½	0	+0¾	12.67
Can Utilities 17 87 CS	35†	113	113½	0	+0¼	12.83
Gaz de France 15 89 CS	75†	105½	106	−0¼	+1⅜	13.83
Gaz Metro 17¼ 90 CS	20†	109	110	+0¼	−0⅝	15.05
O.K.B. 16¼ 88 CS	63†	110¼	110¾	+0¼	+1½	13.35
Quebec Hydro 14 92 CS	60†	107½	108	0	+1	12.57
Univ Quebec 16⅜ 87 CS	17†	104	104½	0	0	10.16
E.I.B. 12⅝ 88 Ecu	60	104⅝	105⅛	+0⅝	+1½	11.79
Amfas 9½ 87 Fl	60	106½	106⅞	0	+0¼	7.49
Amro Bank 9½ 87 Fl	100	108⅛	108⅝	+0⅛	+0⅝	7.35
Neder Middbk 9¼ 87 Fl	100	106⅞	107⅜	0	+0⅞	7.47
Nedlloyd Grp 10¼ 87 Fl	75	109⅛	109⅝	0	+0⅞	7.84
Van Lanschot 10¼ 87 Fl	50	107⅛	108	−0⅞	−0¼	8.21
World Bank 10 87 Fl	100	109⅜	109⅞	+0⅛	+0⅝	7.53
O.K.B. 14 90 FF	400	97⅛	98⅛	+0½	+0⅝	14.37
Solvay & Cie 14¾ 89 FF	200	96⅞	97⅜	+1¼	+5½	15.79
B.F.C.E. 14½ 87 £	30	106⅝	107⅛	+0⅛	+0⅞	12.27
B.N.P. 13⅛ 91 £	15	101⅞	102⅜	−0¼	+0¼	13.00
C.E.C.A. 13½ 88 £	20	102½	103½	−0⅛	+0¼	12.71
C.N.T. 12⅛ 85 £	20	100⅛	101½	0	+5½	12.33
Fin For Ind 12¼ 88 £	20	101½	102½	0	+0½	11.73
Fin Mut Orunj 12¾ 92 £	30	23⅝	24⅛	+0⅛	+0⅛	12.70
Gen Elec Co 12½ 89 £	50	102¼	103¼	−0½	+0¼	11.83
Hiram Walker 14¼ 89 £	25	105⅛	106⅛	−0⅛	+0⅝	12.81
Mort Bk Fin 11¾ 89 £	15	23½	24⅛	0	−0½	13.23
Norsk Hydro 14½ 07 £	30	106⅝	107⅝	0	+0⅝	12.28
Quebec 14⅛ 89 £	30	105⅛	106⅛	+0⅝	+0⅝	13.13
Quebec 15½ 87 £	35	108	109	0	+0¼	12.73
S.D.R. France 15½ 92 £	30	105½	106½	0	+0¼	14.25
S.N.C.F. 11½ 89 £	30	20⅝	21⅜	−0⅝	+0⅛	12.47
Tenneco Int 14⅜ 87 £	30	104⅛	105⅛	−0⅛	0	12.27
World Bank 11⅞ 01 £	75	25⅛	25⅞	0	+0⅝	12.34
Eurofima 10½ 87 LuxFr	500	98¾	100¾	+0¼	+0⅝	10.41
Europarat 12½ 82 LuxFr	500	104⅝	105⅝	+0¼	+0⅛	11.56

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
Allied Irish 5¼ 92	0¼	98	98½	15/4	10⅝	10.81
Bank of Tokyo 5¼ 01 (D)	0⅛	99½	100	10/6	9¾	9.77
Bank Nova Scotia 5¼ 92	0⅛	99¼	99¾	29/4	10½	10.55
B.F.C.E. 5¼ 88	0¼	99½	100	26/4	10.69	10.71
B.F.C.E. 5¼ 87	0¼	98¼	98¾	27/1	14	14.07
Caisse Nat Tele 5¼ 90	0¼	99⅞	100⅜	21/4	10.56	10.80
C.C.C.E. 5¼ 2002	0⅜	98⅞	99⅜	11/3	9⅝	10.01
Coptom 5¼ 92	0¼	99½	100	10/6	9.94	9.98
Chemical NY 5¼ 94 ††	0¼	99⅝	100⅛	23/3	9.94	9.95
Credit Agricole 5¼ 97	0¼	99¾	100¼	24/3	12⅞	12.88
Credit du Nord 5¼ 92	0¼	99¼	99¾	23/6	10⅛	10.19
Credit Lyonnais 5¼ 87	0¼	99⅝	100⅛	1/4	12.16	12.20
Credit Lyonnais 5¼ 94	0¼	99½	100	5/7	9¾	9.77
Credit Nat 5¼ 94 ††	0¼	99½	100	5/3	12.10	12.21
Kansallis Osake 5½ 92	0¼	99¾	100¼	6/5	10.00	10.06
Lloyds Eurofin 5¼ 93 §	0¼	99¾	100¼	29/4	10.56	10.56
Long Term Cred 5¼ 92	0¼	99⅝	100⅛	27/5	15⅛	15.14
J.P. Morgan 5¼ 87 §	0¼	99⅞	100⅜	14/2	10.06	10.05
Nat West Fin 5¼ 91 §	0¼	99⅞	100⅜	15/1	15¼	15.23
New Zealand 5¼ 87	0¼	100¼	100¾	7/4	12½	12.44
Nippon Credit 5¼ 90	0⅛	99⅞	100⅜	19/2	12⅞	13.88
Offshore Mining 5¼ 91	0¼	99⅞	100⅜	2/8	10.44	10.42
PKbanken 5 01	0¼	99⅞	100⅜	17/6	10	9.95
Scotland Int 5¼ 92	0⅛	99¾	100¼	23/3	13¼	13.25
Sec Pacific 5¼ 91	0⅛	99¾	100¼	24/6	10.88	10.86
Société Générale 5¼ 95	0¼	99⅝	100⅛	1/2	12.81	12.83
Standard Chart 5¼ 91	0⅛	100	100½	18/5	10.69	10.66
Sweden 5¼ 89	0¼	99⅛	99⅝	26/2	11.81	11.89
Toronto Domin'n 5¼ 92	0¼	99¼	99¾	11/2	14.31	14.38

Av. price changes: on day 0, on week 0

CONVERTIBLE BONDS	Conv. date	Conv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5¼ 96	7/81	933	90⅝	91¼	−2⅛	−0.00
Bridgestone Tire 5½ 96	3/82	470	101⅞	103⅜	−0⅝	−2.46
Canon 7 97	7/82	748.2	104	106	+3	5.93
Chugai Pharm 7¼ 96	7/82	705.8	107	109	+4	1.24
Fujitsu Fanuc 4½ 96	10/81	5614	100¼	102¼	−1½	13.51
Hitachi Cable 5¼ 96	2/82	515	99⅞	100⅞	−0½	−0.83
Hitachi Credit Corp 5 96	7/81	1612	90½	92½	−0¼	10.54
Honda Motor 5½ 97	3/82	835.6	127¾	125¼	−0⅛	3.94
Kawasaki 5¾ 96	9/81	229	73½	75	−0½	28.42
Kumagai Gumi 6½ 97	10/82	400	109⅞	110⅞	−0⅛	−1.20
Marui 6 89	7/81	846.4	118½	120	+0½	2.21
Minolta Camera 5 96	10/81	925.4	75¼	76¾	−0¼	37.05
Minorco 9¼ 97 †	5/82	8.16	141	143	+3½	0.87
Murata 5⅛ 96	7/81	1971	96	96½	+1	12.64
NKK 6½ 96	7/81	180	80¼	81¾	+0¼	17.77
Nippon Electric 5½ 97	2/82	804.2	124⅜	125⅜	0	4.50
Olympus Optical 6¼ 97	12/82	1331	111	112½	+1⅝	3.26
Orient Finance 5¼ 97	3/82	1205	109½	110⅝	−0½	−5.18
Sanyo Electric 5 96 †	10/81	652	87½	90	−2½	19.68
Sumitomo Electric 5½ 97	3/82	577.3	87⅛	98⅝	0	2.33
Sumitomo Metal 5¼ 88	10/81	296.1	71	72½	−0⅝	21.72
Olympus Opt 4½ 92 SF	12/82	1331	109¼	111¼	+0½	13.04
Konishiroku 6¾ 88 DM	8/82	916	116⅝	117⅝	0	5.30
Mitsubishi Heavy 8 89 DM	2/82	263	104⅝	105⅝	−0⅛	8.79
Sun Realty 6¼ 82 DM	2/83	365	108⅝	109⅝	−0⅝	2.99

* No information available-previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week – Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date – Date next coupon becomes effective. Spread – Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. – current coupon. Cu. yld – current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day – Change on day. Cov. date – First date for conversion into shares. Cnv. price – Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem – Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

UK COMPANY NEWS

Highams accepts £4.55m Largs bid

By David Dodwell

THE BOARD of **Highams**, the hard-pressed Lancashire textile manufacturer, yesterday accepted the terms of a £4.55m bid from the **Largs Group**, a privately owned investment company based in the Isle of Man.

If the bid, which values Highams at 75p per share, is successful, Highams will become a wholly owned subsidiary of Largs and will, therefore, lose its public listing.

From a peak in 1979, when Highams made a pre-tax profit of £1.8m, the Accrington-based group has seen a steady decline. Half-year figures up to October 2 last year showed a pre-tax loss of £247,000, with losses for the full year expected.

The company's most serious problems have emerged in its sheeting division, where cheap imports and slack domestic demand have led to substantial retrenchment.

About 600 jobs have been lost over the past year, leaving a total of about 1,000 as the board has set about reorganisation.

Largs first began to take an active interest in Highams in early December, steadily building its share stake to 18 per cent. This buying interest lifted Highams shares from a low of 50p after the interim figures last month to an opening price of 64p yesterday. They leapt to 73p immediately after the bid was announced.

Little is known about the Largs Group, except that it is the vehicle of the Isle of Man-based Whittaker family.

Its driving force is Mr John Whittaker, whose parents are nominal heads of the group.

UDS fires first defence salvo

BY RAY MAUGHAN

UDS, the stores group, has wasted no time in setting out the first stage of its resistance to **Bassishaw Investments**, the newly formed vehicle on which Mr Gerald Ronson's Heron Corporation and 9 group of institutional investors have mounted a £191m cash offer.

The chief planks of the defence are an improvement in second half trading results in the year ending January 29 and a revaluation of UDS's properties to show a substantial uplift on historic cost backing of 170p per share and current cost assets of 200p per share.

Bassishaw's 100p per share cash terms are rejected as "totally inadequate" and UDS's new chairman, Sir Robert Clark, appointed apparently after some discreet institutional pressure, "confidently expects" that recent changes in operating management and merchandising policy will boost the previously inadequate profits and returns on capital employed.

Heron Corporation revealed last July that it holds a 5.1 per cent stake in UDS and the institutions which are backing Bassishaw are thought to control 4 per cent.

Uncommitted institutional holders are thought to speak for 16 per cent but UDS has not so far been able to identify the ultimate holders of a 2.3 per cent holding registered in Swiss nominee companies.

Sir Robert conceded yesterday that the group's income gearing remains far too high but proposals are in hand to sell, or to leaseback, significant parts of the investment portfolio, worth perhaps about 25p per share, "which are of no help to us or to shareholders."

MORE BIDS AND DEALS PAGE 21

Ruberoid in £2.9m overseas expansion

Ruberoid, the roofing and building products group, has made its first overseas acquisition with the purchase of a 79 per cent stake in Antwerps Teer and Asphaltbedrijf (ATAB) of Belgium for £2.9m (BFr 219.6m).

The company's shares rose 27p to 232p valuing it at £27.4m.

London-based Ruberoid acquired its shareholding from Cindu-Key and Kramer, a publicly quoted Dutch group based in Uithoorn, near Amsterdam, with chemicals, transport and construction interests. The remaining shares are held by a recently formed Luxembourg company.

Net assets of ATAB on December 29, before property revaluations currently under way, were estimated at £3.1m. It made pre-tax profits of £1.2m in 1981.

ATAB is a manufacturing and contracting company operating in Belgium and the Netherlands in areas mostly complementary with Ruberoid Building Products and Ruberoid Contracts.

It has had a trading relationship with the UK group for several years and has been entitled to use the Ruberoid trade market in Belgium and Luxembourg.

BP buys Spanish feeds group

BY CHARLES BATCHELOR

British Petroleum has acquired the Spanish animal feeds group Nueva Asociacion para Nutricion y Tecnicas Alimenticia (NANTA) for £16m despite earlier Spanish opposition to the deal.

Stockbrokers Scrimgeour, Kemp-Gee and Hoare Govett yesterday placed 5,629,883 new BP 25p ordinary shares with institutions at 295p each to finance the acquisition.

The Spanish Ministry of Agriculture expressed opposition to the deal in October because of the existing large stake of multinational companies in the country's feed market.

BP said yesterday that the Spanish authorities' approval for the take-over presumably meant they had resolved their problems and were happy with the deal.

Nanta will be managed for BP by Hendrix Fabrieken of the Netherlands, the principal operating division of the group's nutrition activities.

However, Nanta will preserve its identity as a Spanish company, retain its present management and operate with a high degree of independence, BP said.

The acquisition represents BP's first direct move into the Spanish feed market. The Spanish market offers considerable growth potential and is expected to benefit from Hendrix' advanced technology, the company said.

NANTA, which is based in Madrid, employs 800 people and had 1981 sales of Pta 10.2bn (£55m). A privately-owned company before the acquisition it publishes no profit figures. It controls about 13 per cent of the Spanish feed market.

The purchase price of £16m is subject to adjustment to reflect NANTA's 1982 result.

Hendrix, which was acquired by BP in 1979, employs 3,500 people supplying compound feed and other services to the livestock industry in the Netherlands and Belgium. It had 1981 turnover of about Fl 2.5bn (£530m). BP Nutrician's 1981 operating profit was about £18m.

Sharjah is suitor for Cope Allman

The unidentified company which may make a bid for **Cope Allman International**, the engineering, packaging and leisure group, emerged yesterday as **Sharjah Group**, the Kuwait-based investment company, allied to a consortium of British investors.

Cope's chairman and chief executive, Mr Louis Manson, confirmed that Sharjah had approached the company in mid-December. Sharjah revealed earlier this year that it acquired a stake of just under 5 per cent in Cope. "A bid will come next week if it comes at all," Mr Manson said.

Mr Thomas Duhig, a director of the Sharjah Investment Company (UK), said informal talks had been held before Christmas but Sharjah's approach had been turned down.

"I think there will be a fresh approach," he added. "People have been away for Christmas but now they are back. We are not on our own. Others are involved."

Sharjah is incorporated in Sharjah and listed on the Kuwait stock exchange. It made a net profit of KD 54m (£115m) and had assets of KD 885m in 1979.

Cope's shares rose 1p to 58p yesterday.

Forward Technology in talks and shares jump

THE DIRECTORS of **Forward Technology Industries** announced yesterday that it was in talks "which may or may not lead to an offer being made for the company."

Its shares leapt 11p to 40p on first news of bid talks, but closed at 36p for a gain of 7p on the day.

No further information was given as to the identity of the potential bidder. Chairman Mr Gordon Allen, who owns a majority of Forward Technology's ordinary shares, was unavailable for comment.

The company has had an extremely difficult year. Losses for the six months to June 30 stretched to £973,000 from a loss of £370,000 in the comparable period in 1981.

The loss makers—the graphic arts and plastics subsidiaries—were put into receivership in October. It was also reported last week that the company is selling Radyne, a subsidiary which manufactures induction and dielectric heating equipment, by way of a management buy-out.

In August it sold Colortran, its U.S. lighting subsidiary, just 11 months after acquiring the company, in a bid to reduce debts and repay interest in the U.S.

In sharp contrast with the subsidiaries put into receivership, the company's electronics and sound reproduction subsidiaries have been generating substantial profits. These more than doubled to £985,000 between the first half of 1981 and the first half of 1982, with turnover rising 42 per cent to £16.9m.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: Electronic Rentals, Highgate Optical and Industrial.

Finals: Birmingham Pallet, Pleasurama

FUTURE DATES

Interims:

Asprey	Jan 7
Centrovincial Estates	Jan 11
Hambro Trust	Jan 25
Haynes Publishing	Jan 28
London Investment Trust	Jan 13
Macarthys Pharmaceuticals	Jan 25
Symonds Engineering	Jan 13
Thomas Nationwide Transport	Feb 21
Trent	Jan 18

Finals:

Abbey Panels Investments	Jan 14
M & G Dual Trust	Jan 12
S. African Land and Exploration	Jan 20
Southvaal	Jan 20
Vaal Reefs Expln. and Finance	Jan 20
Western Deep Levels	Jan 20

M. James shelves Coln purchase

Maurice James Industries, the Coventry-based holding company, has shelved plans to acquire Coln Valley Investments (CVI) for about £2m.

The company will go ahead, however, with the appointment of CVI chief executive and major shareholder, Mr Martyn Meade, as James's deputy chairman and chief executive, it announced yesterday.

James and CVI announced plans to link their operations on November 15. The aim, they said then, was to strengthen James's management and introduce property development expertise, while CVI's activities would benefit from James's public listing.

"There were some uncertainties," Mr Maurice James, the chairman, said yesterday.

Despite the decision to suspend the bid for CVI—negotiations may be resumed at a later date—James has decided to take Mr Meade onto the board.

CVI has acquired 1.97m shares of James—equivalent to 14.93 per cent—for £800,000 from the retiring chairman Mr Cliff Ward and other shareholders.

James reported pre-tax profit of £182,000 in the six months ended June 30 against £242,000 on turnover of £2.57m against £3.89m. It will pay an unchanged interim dividend of 0.5p net. Profits for the second half will be higher although the 12-months result will be lower than in 1981.

Norwich Union new life business at record

RECORD LEVELS of new life and pensions business on its worldwide operations is reported by Norwich Union Insurance, one of the UK's largest mutual life companies. New annual premiums only rose marginally from £73m to £74m, but single premiums increased nearly 50 per cent from £75m to £112m.

The growth of business in the UK, which accounts for 80 per cent of the total, was more impressive with sales of personal pension contracts nearly doubling in 1982.

New annual premiums for individual life policies increased 18 per cent, with good sales of mortgage-related contracts towards the end of the year. Single premiums for ordinary life business rose over 70 per cent.

The black spot in the UK related to sales of company pension schemes, a sluggish market due to economic conditions.

Overseas sales increased 13 per cent with especially good results in Canada and the Republic of Ireland.

Single premiums more than doubled from £17.7m to £42.6m are reported by Clerical Medical and General Life Assurance Society. Total new annual premiums rose 3.5 per cent from £22.5m to £23.3m.

New annual premiums for ordinary life business were buoyant rising nearly 50 per cent to £10.4m, with term assurance business being particularly strong. Annual premiums on individual pensions more than doubled to £1.6m, while single premiums also doubled to £6.2m.

One success story for CMG was annuity sales which more than tripled to £14.1m, based on competitive rates and strong sales of back-to-back contracts.

Despite the recession, new total contributions to group pensions business rose by 35 per cent to £28m, with the managed funds attracting £46.1m of investments in its first year, including transfers from existing insured funds. New annual premiums on group pensions business fell by one quarter to £11.1m.

The substantial premium discounts offered to non-smokers by the Scottish Mutual Assurance Society resulted in strong growth in term assurance business and new annual premiums for ordinary life business rose by one-third to £4.36m. New annual premiums on self-employed pension business rose more than 70 per cent to £660,000.

Single premium business doubled from £5.86m to £12.14m, with annuities up 240 per cent to £5.73m.

New annual premiums for sponsored pensions business—company and executive combined—increased 5 per cent from £3.33m to £3.48m. Single premium on executive pensions business doubled to £4.48m.

Three trusts invest in Japanese bonds

The Royal Bank of Scotland has made one-year dollar/yen loans to three investment trusts, which have put the money into short dated Japanese government bonds.

The trusts have substantial U.S. equity portfolios and the effect of the transactions is to maintain the portfolios while reducing exposure to the dollar and increasing exposure to the yen.

Scottish Mortgage and Trust has borrowed $30m from the bank at 10½ per cent for one year to December 21 1983. The dollars have been converted to yen at an exchange rate of Y243 to the dollar and then invested.

Monks Investment Trust has borrowed $12m at 10⅞ per cent to December 28. Conversion rate was Y240 to the dollar.

Mid Wynd International Investment Trust has borrowed $1m at 9½ per cent to January 6 1984. Conversion rate was Y229 to the dollar.

Yearlings total £17.25m

Yearling bonds totalling £17.25m at 10½ per cent redeemable on January 11 1984 have been issued this week by the following local authorities.

Oxford City Council £1m; Barking & Dagenham (London Borough of) £0.5m; Rotherham (Metropolitan Borough of) £1.5m; Carlisle (City of) £1m; Gateshead (Borough Council of) £1m; Hyndburn (Borough of) £0.5m; Lambeth (London Borough of) £1m; North East Fife District Council £0.5m; Ogwr Borough Council £0.25m; Rochdale Metropolitan BC £0.5m; Glasgow (The City of) DC £2m; Sandwell (Metropolitan Borough of) £1m; Allerdale DC £0.5m; Central Regional Council £0.5m; Ealing (London Borough of) £1.5m; Hillingdon (London Borough of) £1m; West Yorkshire Metropolitan County Council £0.5m; Islwyn BC £0.5m; Tameside Metropolitan BC £1.5m; Northampton BC £0.5m.

SHARE STAKES

Bluemel Bros.—Mr A. L. Wilkes has acquired 185,000 ordinary shares and now holds 8.135 per cent.

Greencoat Property — Fairclough Construction has purchased 730,000 ordinary in Greencoat which increases its holding to 7,728,353 shares (18.53 per cent).

Granada Group—A trust of which Mr A. Bernstein, a director, is co-trustee (with no beneficial interest) has sold 100,000 "A" limited voting ordinary shares (0.06 per cent).

LRC International—Mr D. H. S. Howard, a director, has sold 250,000 ordinary shares.

James Wilkes—Mr A. T. Brain, director, has sold 177,328 ordinary shares. Professor A. Mellows, director, has bought 151,328 ordinary shares. Mr G. Williams Stevens, director, has bought 10,000 ordinary shares, and Mr M. F. J. Mead, director, has bought 6,000 ordinary shares.

Receivers for 4 Brooke Tool subsidiaries

As a result of continuing heavy trading losses being incurred by its machine tool division **Brooke Tool Engineering (Holdings)** has requested its bankers to appoint receivers to the four subsidiaries concerned.

They are named as Boxford Machine Tools, Fred Whiteley, Broadbent Machine Tool Company and Hayes Machine Tools International.

The group's other divisions involved in cutting tools and mining equipment are unaffected by the closure decision. It is pointed out that these divisions are continuing to trade profitably and that the group's bankers have indicated their willingness to provide continued ongoing support.

For the six months to September 30 1982 the group plunged £337,000 into the red pre-tax and with a "substantial" trading loss predicted for the full year the interim dividend was omitted (0.75p).

MINING NEWS

Commercial production begins at Argyle

By George Milling-Stanley

COMMERCIAL production from the **Argyle Diamond Mines** joint venture in Western Australia started this week on a limited scale. Initial output is expected to be about 5m carats a year, rising to 25m carats by 1985.

The joint venture has also revealed that it is negotiating with Mr Milos Vainer, an independent London diamond dealer, for the establishment of a staff of valuers in Perth.

If these negotiations are successful, this would give the venture's owners an independent check on valuations of the stones by **De Beers' Central Selling Organisation**, which has marketing rights to the bulk of production.

Argyle is owned by CRA, the local arm of the Rio Tinto-Zinc group, with 56.8 per cent, Ashton Mining (38.2 per cent) and Northern Mining (5 per cent).

The Western Australia and Federal Governments are also planning to appoint independent valuers, in order to determine the amounts payable in royalties. Both moves had been expected.

In a separate development, **Afro-West Mining and Exploration** has announced that its application to obtain title to several mineral claims in the joint venture area will be heard by the Wardens' Court on February 15 and 16.

Afro-West came to prominence in 1981 when it claimed that CRA had pegged several areas incorrectly. This was hotly disputed by the joint venture partners, but last September the Western Australia Supreme Court ruled in Afro-West's favour in respect of five of the disputed areas.

The joint venture has always contended that, whatever the outcome of the litigation, this will have no effect on its plans, as there is at present no intention to work the areas involved.

Charter gains more tungsten interests

LONDON'S **Charter Consolidated** has expanded its interests in tungsten by acquiring an option to purchase 85 per cent of a small Spanish mine producing wolfram, the ore from which the steel-hardening metal, tungsten, is derived.

Few details of the option are available as yet, but it is known that it runs for one year and is renewable for two further periods of six months thereafter.

The mine, at Barruecopardo in the north-west of the country, close to the Portuguese border, produced about 200 tonnes of wolfram last year. The 117-man workforce has been on strike over pay since November.

Charter stressed that its interest in Barruecopardo stemmed more from the deposit's potential for development than as an operating mine.

The strike should pose few problems, as the British company is concentrating on further prospecting work and metallurgical testing.

Barruecopardo, which has been in production since 1942, is currently owned by the Spanish company Merladet. Charter has been given the necessary permission from the Spanish Government to acquire a stake of more than 50 per cent in a local company.

Public Works Loan Board rates

Effective January 5

Years	Quota loans repaid by EIP†	Quota loans repaid At‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid At‡	Non-quota loans A* repaid at maturity§
Up to 3	10¾	10¾	10¾	11⅛	11⅛	11⅛
Over 3, up to 4	10¾	10¾	10¾	11⅛	11⅛	11¼
Over 4, up to 5	10¾	10¾	10¾	11⅛	11¼	11⅜
Over 5, up to 6	10¾	10¾	11	11⅛	11¼	11⅜
Over 6, up to 7	10¾	10⅞	11⅛	11⅛	11⅜	11½
Over 7, up to 8	10⅞	10⅞	11⅛	11⅛	11⅜	11½
Over 8, up to 9	10⅞	10⅞	11⅛	11¼	11⅜	11½
Over 9, up to 10	10⅞	11	11⅛	11¼	11⅜	11½
Over 10, up to 15	11⅛	11⅛	11⅛	11⅜	11⅜	11½
Over 15, up to 25	11⅛	11⅛	11⅛	11⅜	11⅜	11½
Over 25	11⅛	11⅛	11⅛	11⅜	11⅜	11½

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

LONDON TRADED OPTIONS

January 5 Total Contracts 3,275 Calls 2,686 Puts 589

Option	Ex'cise price	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity Close
BP (c)	280	24	10	38	7	—	—	304p
BP (c)	300	11	283	26	[illegible]	36	14	"
BP (c)	330	1½	47	12	25	22	8	"
BP (p)	300	8	175	26	27	34	—	"
BP (p)	330	32	15	44	—	54	—	"
CU (c)	120	14	22	16	106	21	3	131p
CU (c)	130	7	85	11	51	16	—	"
CU (c)	140	2	47	6	66	8	—	"
CU (p)	130	5	50	11	10	14	—	"
Cons. Gld (c)	420	90	20	97	2	105	—	502p
Cons. Gld (c)	460	52	20	65	—	77	1	"
Cons. Gld (c)	500	15	19	36	19	52	19	"
Cons. Gld (p)	390	1½	—	5	10	8	—	"
Cons. Gld (p)	460	16	1	15	20	27	—	"
Cons. Gld (p)	500	12	10	30	—	38	1	"
Ctlds (c)	80	2	—	5	50	8	21	77p
Ctlds (p)	70	1	20	4	—	5	10	"
Ctlds (p)	80	5	2	7	60	11	—	"
GEC (c)	177	40	3	—	—	—	—	214p
GEC (c)	187	32	30	—	—	—	—	"
GEC (c)	217	5	137	20	38	—	—	"
GEC (c)	237	2	—	10	25	—	—	"
GEC (c)	262	½	—	5½	44	12	1	"
GEC (p)	197	3	—	9	1	—	—	"
GEC (p)	217	14	2	20	2	—	—	"
GEC (p)	237	30	2	30	—	—	—	"
Gr'd Met. (c)	200	144	10	—	—	—	—	341p
Gr'd Met. (c)	280	64	3	67	16	71	—	"
Gr'd Met. (c)	300	44	63	47	13	51	—	"
Gr'd Met. (c)	330	16	146	28	18	33	1	"
Gr'd Met. (c)	360	4	6	16	75	20	3	"
Gr'd Met. (p)	360	21	—	25	24	22	—	"
ICI (c)	300	68	22	72	—	72	20	364p
ICI (c)	330	38	64	44	6	52	2	"
ICI (c)	360	13	64	22	67	30	1	"
ICI (p)	330	2	—	8	1	14	3	"
ICI (p)	360	8	—	18	1	24	—	"
Land Sec. (c)	260	22	2	35	1	41	—	205p
Land Sec. (c)	280	12	15	22	5	28	—	"
Land Sec. (c)	300	2	10	10	—	—	—	"
Mks & Sp. (c)	200	28	4	34	—	30	—	225p
Mks & Sp. (c)	220	10	44	22	—	27	—	"
Mks & Sp. (c)	242	2	1	10	6	15	1	"
Mks & Sp. (p)	222	5	54	11	17	17	—	"
Shell (c)	390	38	1	46	—	56	—	424p
Shell (c)	420	14	3	26	25	38	—	"
Shell (c)	460	1	—	13	15	24	—	"
Shell (p)	422	9	—	20	2	24	—	"
		February		May		August		
Barclays (c)	420	5	2	15	—	27	—	391p
Barclays (p)	460	5	—	11	10	15	—	"
Imperial (c)	112	11	4	17	—	20	—	112p
Lasmo (c)	300	12	5	40	3	50	—	202p
Lasmo (c)	332	12	11	25	—	34	—	"
Lasmo (c)	390	3	—	6	1	—	—	"
Lasmo (p)	300	22	—	22	1	45	—	"
Lonrho (c)	90	22	—	21	—	24	2	99p
Lonrho (c)	90	11	5	13	24	15	—	"
Lonrho (c)	100	4½	22	6½	45	9	5	"
Lonrho (c)	100	9	10	10	10	11	—	"
P & O (c)	112	2	17	15	2	18	—	112p
P & O (c)	120	3½	5	9	—	12	—	"
P & O (c)	130	2	—	6	6	8	—	"
P & O (p)	112	7	2	10	1	14	—	"
Racal (c)	550	50	12	67	—	88	—	521p
Racal (c)	650	3	—	14	32	—	—	"
Racal (p)	600	25	—	35	2	58	—	"
RTZ (c)	390	92	40	105	—	117	—	477p
RTZ (c)	420	64	5	77	1	85	—	"
RTZ (c)	460	27	130	54	45	65	—	"
RTZ (c)	500	11	120	22	25	—	—	"
RTZ (p)	422	6	—	15	42	27	—	"
RTZ (p)	460	14	1	27	—	32	—	"
Vaal Rfs. (c)	90	25	20	27	—	30	—	$114
Vaal Rfs. (c)	100	15	7	20	20	25	—	"
Vaal Rfs. (c)	110	2	5	14½	10	18½	—	"
Vaal Rfs. (c)	120	4	14	2	10	13½	4	"
Vaal Rfs. (p)	100	1½	2	5	—	7½	—	"
Vaal Rfs. (p)	110	4½	12	2	—	12	—	"
Vaal Rfs. (p)	120	2½	3	14	—	16	—	"

C = Call P = Put

EUROPEAN OPTIONS EXCHANGE

Series		Mar. Vol.	Mar. Last	Jun. Vol.	Jun. Last	Sep. Vol.	Sep. Last	Stock
O FL C	F.260	19	4.50	—	—	—	—	F.260.10
O FL C	F.265	8	2.90	2	4	—	—	"
O FL C	F.275	1	0.80	—	—	—	—	"
O FL P	F.260	20	7	12	11.50	—	—	"
O FL P	F.265	21	10.50	[illegible]	[illegible]	—	—	"
O FL P	F.272	70	15	102	19.52	—	—	"
O FL P	F.275	65	19	—	—	—	—	"
		Feb.		May		Aug.		
GOLD C	$425	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	$454.50
GOLD C	$450	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GOLD C	$475	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GOLD C	$500	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GOLD C	$550	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GOLD C	$600	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GOLD P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
12¾ NL 81 87-91								
C	F.112.50	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.135
11¼ NL 82 88-92								
C	F.115	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.118.90
10¼ NL 82 88-92								
C	F.107.50	200	0.50	—	—	—	—	F.111.50
10 NL 82 II 86 89								
C	F.107.50	60	3.20	103	2.50	20	7.50	F.113
7¾ NL 82 89 93								
C	F.100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.101.90
		Jan.		April		July		
ABN C	F.300	114	10	153	[illegible]	[illegible]	[illegible]	F.307
[illegible]								
PHIL C	F.25	103	0.10	4	0.40	1	0.90	"
PHIL P	F.27.50	82	0.40	5	1	37	1.70 B	"
RD C	F.90	420	7	104	8.50	42	8	F.96.40
RD C	F.100	009	1.40	435	4.80	37	0.20	"
RD P	F.90	104	0.60	105	2.20	10	4	"
RD P	F.100	—	—	44	0.20	—	—	"
UNIL C	F.200	93	4.50	12	8 B	7	12 B	F.198.50
		Feb.		May		Aug.		
MANN C	DM.150	70	4	—	—	—	—	DM147.60
VEBA C	DM.140	—	—	50	12	1	15	DM145.90

TOTAL VOLUME IN CONTRACTS 15764

A = Asked B = Bid C = Call P = Put

RESULTS AND ACCOUNTS IN BRIEF

ARMOUR TRUST (confectionery manufacturer)—For half year to October 31 1981 taxable profits £81,000 (£50,000) including losses of Telesure since sold of £7,000 (£33,00 profits): turnover £4.58m (£4.36m): tax nil (same): extraordinary credit £1,000 (£2,000): minorities £2,000 (same): attributable profits £80,000 (£50,000). Since October £447,000 raised by rights issue, used to offset overdrafts and balance placed on short term deposit.

JITRA RUBBER PLANTATIONS—Dividend for year to September 30, 1982, 0.5p net (same): pre-tax income £125,774 (£136,996), including associated companies £66,558 (£68,084): tax £43,364 (£48,765): extraordinary credits £28,704 (£31,409), being disposal of investments. Stated earnings per share 0.74p (0.79p).

WINTERBOTTOM ENERGY TRUST—Net asset value per ordinary share at the close of business on December 28 1982 was 60.6p after deduction of prior charges at par and 52.8p after deduction at market value.

RANKS HOVIS McDOUGALL—Results for the year ended September 4 1982 and prospects reported December 8. Group shareholders' funds £314.07m (£318.42m). Fixed assets £278.31m (£271.35m). Net current assets £118.63m (£121.49m). Increase in loan capital £9.1m (£26.3m decrease): increase in net liquid funds £12.43m (£24.18m). Compensation to a director on termination of service agreement £50,000 (nil). Group's activities in Republic of Ireland being totally reorganised. Meeting: Dorchester Hotel, W, January 27, noon.

GENERAL STOCKHOLDERS INVESTMENT TRUST—Results for the year to October 31 1982 reported on November 18. Shareholders' funds £18.57m (£18.49m): listed investments £17.71m (£15.09m): unlisted investments £741,053 (£670,675): net current liabilities £1.58m (assets £1.04m): decrease in liquidity £2.61m (increase £1.44m). Meeting: Winchester House, EC, January 19 at 10.45 am.

JOHN CARR (DONCASTER) (timber importer and merchant)—Results for year to September 30 1982 reported on November 30. Shareholders' funds £21.84m (£19.89m): fixed assets £11m (£9.87m): net current assets £10.65m (£9.86m): decrease in liquid funds £870,000 (increase £1.68m). Meeting, Doncaster, January 19 at 11 am.

THOMAS BORTHWICK & SONS (meat trader) — Results for the year to October 3 1982 reported on December 10. Shareholders' funds £27.58m (£32.9m): fixed assets £56.11m (£64.31m): bank balances and cash £7.71m (£11.21m): other current assets £61.29m (£68.61m): current liabilities £31.34m (£33.18m): decrease in working capital £5.43m (£15.61m). Compensation in respect of loss of office £80,000 (£83,000). Meeting: Butchers Hull, EC, on January 28, noon.

JOBS COLUMN

Creditable example by electronics chairman

BY MICHAEL DIXON

THE HIGH COMMAND reputedly refused to develop parachutes for use by aircrew in the first world war for fear of encouraging disloyally self-indulgent ettitudes. Can it be that employers still have a similar fear about publicly praising staff who leave them to work elsewhere?

The absence of such tributes from the Jobs Column's postbag bas been so mucb the general rule that I would probably pever have expected anything different if I hadn't suddenly come across an exception in Tony Walker, chairman of Millbank Electronics Group. As far as I can tell from the records, he is the first employer to break the rule in the column's 10 years (less two days) of existence.

He needs a general manager for the company which he started at Uckfield in Sussex 16 years ago. And the reason for the search is the impending departure of Michael Colyer who, when Millbank ran into losses in 1979, was recruited to restore it to profitability.

"The radical action that he took as managing director included a reduction of all operating costs and the introduction of highly-efficient, computer-hased systems for production, materials purchasing and sales order purchasing," Mr Walker writes. "With our turnover now running at around £1.8m, Michael bas exceeded all of the financial objectives that we set in a far shorter time than was thought possible."

As it happened, Millbank's chairman was out wben I telephoned to learn more about tha general manager's job and I found myself talking to Mr Colyer. So I read him his chief's comments and asked how he felt about them.

"Well, I certainly didn't do anything very clever," he replied.

"We were overstocked, bnying the wrong stuff, and had too many people doing too little—fairly obvious tbings like that. So we cut down the overbeads. The computer systems we've brought in, for instance, have reduced stock to a third of what it used to be.

"Aoother thing is that my coming bere meant that other people could concentrate on the work they are best at. In particular, Tony Walker who is first-rate commercially bas been able devote himself to sales, especially overseas.

"But that's about tbe strengtb of it."

Nor did Michael Colyer, who leaves at the end of February to become a director of Westinghouse Brakes, believe that be'd be a hard man to follow at Millbank. For one thing, the new general manager won't bave to look after the production of the company's electronic hardware, mainly for audio communications systems, which has been put in the hands of an internally promoted manufacturing manager.

"One task will be to keep the new systems up to scratch. If they're not developed, they'll tend to slip into disuse.

"Then, although we now produce good, up-to-date management information, we need to be better at interpreting it into useful action.

"Beyond that, there's no doubt room for more cost-rednction in design and so on. And while marketing is strong in flair, I can't see that it would be the worse for a bit more financial objectivity."

Commercially minded accountants interested in the post, and preferably with experience in tbe electronics Industry, can contact Mr Walker at Uckfield, Sussex TN22 1QL; telephone 0825 4811, telex 95505 Milbnk G.

Salary indicator is £15,000-£20,000. Perks include profit-based bonus, share option and car as well as a cbairman clearly ready to give credit wbere credit is due.

Sales chiefs

A BRACE of sales directors are wanted by Michael Wood of Searcb and Assessment Services for two manufacturing companies. Since he may not name them he—like the other recruiters to be mentioned later—promises tn abide by any applicant's request not to be identified to the employer for tbe time being.

One of the sales chiefs will be based in the East Midlands with a subsidiary company making equipment for the oil and gas industry. Responsible to the managing director, the recruit will deal personally with major customers as well as managing sales engineers mostly working from the United Kingdom although also concerned with business development in other countries.

As well as success in selling costly oilfield equipment and experience in running an international sales operation, candidates sbould bave an engineering qualification and technical knowledge of rotating machinery.

The other recruit will work from the Home Counties and be responsible to the chief executive of a capital-equipment manufacturer for progressively improving the profitability of its UK sales, "regardless of economic conditions." Two salea managers are in direct support, and the field force consists of two regional managers and 50 representatives.

Candidates should be skilled at selling capital equipment at senior level and have at least three years experience of managing a regional if not national sales effort. Understanding of mechanical engineering is also required.

Salary indicator for both posts is about £25,000 with cars among the other benefits.

Inquiries to Mr Wood at 23 High Street, Banbury, Oxon OX16 8EG; tel 0295 59885, telex 894112 Arint G.

Garments

NEXT to Dublin where a garments company is seeking a managing director through Mike Butterworth of Hoggett Bowers Search. The job, which involves a fair amount of overseas travel, requires knowledge of up-to-date production techniques, expertise in buying materials, sound judgment of design, colours, fittings and so on in addition to senior-rank experience of fiancial management.

Salary equivalent to about £35,000, plus car.

Inquiries to Mr Butterworth at 10 Hanover Street, London W1R 9HF; tel. 01-629 1277.

Treasury work

PROMOTION to New York or the Far East will be in fairly early prospect for the two or three bankers with extensive experience in corporate dealing sought by recruiter John Williams of Russel, Williams and Associates for the London arm of a U.S. Treasury management group.

The work demands ability to monitor economic developments across a wide range of countries and copious knowledge f foreign exchange, in addition to skill in presenting advice to corporate clients. Previous experience of advising on foreign exchange and money markets would be a strong advantage.

Salary indicator is £15,000-£22,500, plus perks inclnding low-interest home loans and car.

Inquiries to Mr Williams at 45 St Mary's Road, London W5 5RQ; tel. 01-579 1082.

Kuwait

FINALLY, this week, to Knwait where a leading investment company is seeking two people through consultant Andrew Duncan of Bull, Holmes (Management).

One is an experienced investment manager demonstrably able to manage substantial personal portfolios. The salary indicator bere is about £40,000 free of tax.

The second job is for a financial adviser with particular responsibility for carrying out studies on potential acquisitions and mergers and other investment proposals. Salary £30,000-plus, again tax-free.

Perks for both posts inclnde "high standard of bousing" and car, Mr Duncan says.

Inquiries to bim at 45 Albemarle Street, London W1X 3FE; tel. 01409 2188, telex 28506.

Managing Director

Printing — **South Coast** — **£20,000+**

Well equipped, in profit and with a strong reputation in the trade, this litho subsidiary of a diversified printing group is poised for expansion from the present £4m sales level. A period of rationalisation has created an effective management team, and the new MD must have strong business development and commercial skills to maximise the present potential. Previous involvement in both production and sales is expected, as well as a sound financial appreciation necessary for the planning and control of the business. Candidates will ideally be in the late 30s – early 40s. Remuneration, including a high base salary plus profit participation, will attract those currently earning in the region of £20,000, with car, removal expenses and non-contributory pension scheme provided.

Write for an application form or send brief CV to the address below, *quoting ref: GM26/8123/FT on both letter and envelope*, and advising us of any other applications you have made to PA Personnel Services within the last twelve months. No details are divulged to clients without prior permission. Initial interviews will be conducted by PA Consultants.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

A member of PA International

MARKETING DIRECTOR

Courage Limited

c. £30,000

The Marketing Director has recently been promoted to run a major sister company in the Imperial Group's Leisure and Brewing Division.

There is a need to replace him with a creative and experienced Director on the Board of Courage Limited, one of Britain's major brewing companies, with substantial interests in production and distribution through its wholesale and retail networks.

The appointment demands a high level of skill and creativity to exploit and develop further a successful brand portfolio; co-ordinate effective promotional programmes in support of these brands and identify future product development requirements in a highly competitive market.

The task is complex and demanding and it provides the right person with an outstanding opportunity to build on success.

The rewards include an attractive fringe benefits package commensurate with the size of the job. If you think you are the person to fill this exciting post, and you are already earning at least £20,000 per annum, please write directly to me, in confidence, with a curriculum vitae quoting reference :- FT/6183 Michael Cottrell, Managing Director, Courage Limited, Anchor Terrace, Southwark Bridge, London, SE1 9HS.

COURAGE

UNIT LINKED SALES MANAGER

The Scottish Life Assurance Company, based in Edinburgh, wish to appoint a Sales Manager to join their team currently developing Unit Linked Life Assurance.

The position will involve helping with the development of contracts, recruiting a specialist sales force, and the eventual management of Unit Linked sales.

An attractive salary, including an incentive bonus once sales commence, is offered and fringe benefits include subsidised mortgage, non-contributory pension scheme, relocation allowance and company car.

Applications in confidence from those with a proven record in the Unit Linked Life Assurance field should be sent to:–

Scottish Life

The Scottish Life Assurance Company

A. P. Limb, Assistant General Manager and Secretary, The Scottish Life Assurance Company, 19 St Andrew Square, Edinburgh EH2 1YE.

Stockbrokers

QUILTER GOODISON & CO.

require a

PARTNER'S ASSISTANT

for their private clients department. Some experience is necessary together with a good educational background.

Telephone 01-600 4177

Staff Department

BANKING OPPORTUNITIES

EUROBOND SALESPERSON 20/30's Neg. to £24,000

Prime name in bond market seeks salesperson possessing the professionalism and personal qualities essential in such an environment.

OPERATIONS MANAGER/ ACCOUNTANT 40's Neg. to £22,000

Operations manager with international banking experience required by new bank. Good computing background with in-depth accountancy experience, including UK tax and VAT, essential.

A.V.P. BUSINESS DEVELOPMENT Early 30's £20,000 neg.

High calibre banking executive with extensive marketing experience of UK corporate lending and, more essentially, foreign trade finance required by expanding international bank.

CREDIT MANAGER 30/35 c. £20,000

Senior person required to head up team. A professional in straight and syndicated lending administration with analysis, appraisal and documentation experience is the candidate sought by this new, fast-expanding International bank.

EUROBOND DEALERS Late 20's/early 30's c. £15,000 (all salaries neg.)

Well-known bank requires first-class dealers with minimum two years' experience in straights, convertibles and convertible samurais.

DOCUMENTARY CREDITS SUPERVISOR Late 20's/30's Neg. to £14,500 max. **(Manager Elect)**

Experienced documentary credits person, preferably A.I.B., probably of assistant manager status, with American banking background, required by well-known U.S. bank. Person will supervise large department and, of necessity, must possess marked supervisory skills in addition to a high degree of technical competence.

ASSISTANT MANAGER c. £12,000

Small West End L.O.T. seeks A.I.B. to assist manager with specialised customer services.

DEPUTY MANAGER c. £11,000

Merchant bank wishes to recruit an experienced person to handle [illegible] possess a working knowledge of FX and documentary credits.

LJC BANKING

170 Bishopsgate, London EC2M 4LX

01-283 9953

Investment Appraisal/Strategy Development

c. £14,000–£18,000

With the Divisional Heads now in post GLEB is looking for six to eight people of varying levels of seniority to form the nucleus of its Investment and Strategic Investment Divisions. Work within the former involves taking the lead in the appraisal and negotiations of investment projects and providing financial, marketing and/or production advisory services to GLEB Investments; within the latter staff will be concerned with the formulation and implementation of investment strategies and plans covering industries and enterprises of particular importance to London.

Standards will be demanding and will reflect both the difficulty of the problems confronting London's industry and the deliberate intention to build a national reputation for the Board through a 'hands on' approach.

Applications are invited from multi-skilled individuals whose formal training in a discipline relevant to business is supported by industrial experience in a multi-product environment, and preferably by a post graduate business qualification. We are particularly interested in those with production or commercial experience but there is a need also for backgrounds in accountancy, liquidations, economics, industrial marketing, operational research, or the assessment of working relationships and organisations. Candidates must demonstrate a capacity for conceptual thought or experience in analysing businesses, products, or processes, possibly gained in a formal consultancy practice, conglomerate or trades union support group.

The capacity to work with both sides of industry, local authorities, voluntary groups, and financial Institutions is essential or will have to be developed.

Apply with a detailed curriculum vitae to Alan McGervey, Chief Executive, Greater London Enterprise Board Limited, Room B10, The County Hall, London SE1 7PB, or telephone 01-633 1487.

GLEB is an equal opportunities employer.

Greater London Enterprise Board

Financial Director (Designate)

Surrey — ***from £17,500+car***

Our client is one of the market leaders in its field. A vacancy now exists for Financial Director (designate) for a division comprising nine companies involved in a variety of manufacturing, merchanting, design and other specialist services.

The position reports to the division's Chief Executive and carries responsibility, through a staff of 36, for the entire accounting and data processing function, including liaison with group head office. Following several recent acquisitions, rationalisation of accounting and DP procedures is required, and further expansion through acquisition is likely.

Candidates must be ACA or ACMA qualified and have several years experience at senior management level in a commercial environment. The successful applicant will be a skilled communicator and leader with a highly developed general business awareness. A blend of maturity and enthusiastic commitment is required, and whilst the preferred aged range is 32-40, age is not a primary factor.

The company is offering an attractive salary and benefits package which includes fully expensed 2.3 Granada or Rover, generous pension arrangements, free BUPA, and several other specific benefits. The company both internally and through its parent, a well known UK group with international interests, can also offer good career prospects, the first stage of which is confirmation of directorship, subject to satisfactory performance, within six months.

Candidates, male or female, should write requesting a personal history form to Alan Gilmour, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY, and quoting reference MCS/9007.

Price Waterhouse Associates

International Project Finance

Merchant Banking

Continuing expansions of our Group's Project finance related activities has created an exceptional opportunity for a young banker to join a team of specialists based in London. Responsibilities will include identifying and developing project advisory and lending opportunities, working closely with offices of the Group throughout the world. Besides having a good track record to date, candidates must be confident and self-motivated, and should ideally have –

- Degree or professional qualification in law or accounting
- Minimum 3-5 years banking experience with an established international or merchant bank
- Working Knowledge of one or more European languages
- Familiarity with export credit schemes
- Experience of project analysis, financial modelling techniques and structuring of project financing packages

An attractive salary will be offered along with the usual banking benefits. Career prospects will be in the context of the Group's international operations. Please write with full career details to

R. J. E. Barker, Group Appointments Manager,

Grindlays Bank plc,

36 Fenchurch Street, London EC3P 3AS.

DISTRICT TREASURER

Scale 'G' (£19,146—£21,884 per annum inclusive)

Applications are invited for this Team post from professionally qualified candidates whether or not employed in the N.H.S. to succeed the current incumbent, Miss M. Gill, who retires next April.

This is a challenging position based at The London Hospital (Whitechapel) and carrying responsibility for the development and management of the District's financial policies, with active participation in the general management of a teaching District. The Authority employs some 6,000 staff and its current year's revenue cash limit is in excess of £60m. There is a close working relationship with the Medical College and the Special Trustees.

Application forms and further details can be obtained from Mr. Denis Dodds, Personnel Officer at the address below.

Applications should be addressed to Mr. F. M. Cumberlege, C.B.E., Chairman, Tower Hamlets H.A., District Offices, c/o The London Hospital, Whitechapel, London E1 1BB, by the closing date, 21st January, 1983.

Tower Hamlets Health Authority

A major City investment house with a substantial computer commitment to investment research seeks a

COMPUTER SYSTEMS CONTROLLER

The successful applicant, after a period of familiarisation, will be responsible for maximising the efficient usage of the existing system, together with scheduling and controlling the introduction of modifications and developments on a timely basis.

The system is based on HP 3000s, using a wide range of languages, with substantial terminal enquiry facilities.

Applicants must be experienced in programming, systems analysis and project management and have a continuing interest in programming and systems efficiency. They are likely to be over 28 years old. Remuneration is negotiable but will be very attractive to the right applicant.

Applications will be forwarded direct to our client. Please send a comprehensive career resume, including salary history and day-time telephone number, quoting ref. 2084, to W. L. Tait.

Touche Ross & Co, Management Consultants

Hill House, 1 Little New Street, London EC4A 3TR.

Telephone: 01-353 8011.

A member of the Management Consultants Association.

PARTNER'S ASSISTANT

Laurie, Milbank & Co. require an assistant to a Partner in their Private Clients Department. That person should have several years stockbroking experience and should be articulate, numerate and hard working.

The job requires the ability to communicate with clients as well as a thorough knowledge of the administration and documentation involved. The preferred age range is 25-40.

Please write in confidence to Tim Summers:

Laurie, Milbank & Co.

LM

Portland House, 72/73 Basinghall Street, London, EC2V 5DP.

CREDIT MANAGER BANKING

Leading Middle East Bank, which is shortly to establish a branch in the City of London, has an opportunity for an experienced lending banker to head up its Credit and Marketing Department. The successful candidate will be responsible for evaluating new loan applications, structuring the financial requirements and making recommendations to the London Credit Committee, as well as being in overall management control of the whole loan portfolio.

Candidates should be business graduates, or have other qualifications of a similar standing, with extensive experience in credit analysis, appraisal and loan documentation.

Salary is negotiable and benefits are those normally associated with a large international organisation.

Applications should be sent to:

Box A.8119, Financial Times

10 Cannon Street, London EC4P 4BY

Quills Employment Agency Ltd.

have now moved their office to:

ROOM 11
70 OLD BROAD STREET
LONDON, EC2

Tel: 623 8733 (Permanent)
623 8722 (Temporary)

Mrs. Hicks and Mrs. Howell

FIXED INCOME ANALYST

required by Research Department for coverage of International bond markets.

Applicants should have sound knowledge of fixed income investment principles and techniques, at least 2-3 years' working experience in bond markets, preferably international, and the ability to produce written research material of a high standard. A degree and/or professional qualification is desirable. Compensation will be commensurate with experience and qualifications.

CV's to: Merrill Lynch Holdings Ltd., Personnel Department, 27 Finsbury Square, London EC2A 1AQ. (No agencies)

Merrill Lynch

APPOINTMENTS

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International Appointments

SPOT DEALER — £18,000 p.a. +
A Senior Spot Dollar Dealer is being urgently sought by a large overseas bank in the early stages of L.O.T.I. The ideal candidate will have a minimum of 5 years' dealing experience in an active operation.

DEPUTY HEAD OF EUROBOND SETTLEMENTS — £15,500 p.a.
At least 5 years' experience in a position of responsibility in an active Eurobond trading operation is the main requirement of a major bank's international bank's subsidiary, plus good general banking and the ability to organise and supervise staff.

ASSISTANT MANAGER—ACCOUNTS — to £15,000 p.a.
This post in a prominent bank requires excellent banking accounts experience, a working knowledge of computerised accounts and the ability to manage a department. Reporting to the Chief Accountant.

COMPUTER PROGRAMMERS/ANALYSTS — £ neg.
Experienced Programmers with bank accounts/settlements background are being sought by an International bank and a computer consultancy both in the City. Excellent benefits are being offered.

EUROBOND SALES — £ neg.
Experienced Salespeople are required by both International banks and brokers. Salaries vary from £12,000 to £18,000 p.a.

DEPUTY BRANCH MANAGER — £11,500 p.a.
A good General Banker with a knowledge of F.X. and Documentary Credits is required by the small merchant banking arm of a major international consortium bank, to administrate the corporate loan portfolio (both secured and unsecured) and visit customers. Liaise and report to the General Manager.

BUSINESS DEVELOPMENT OFFICER — £12,500+
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Please speak to Sheila Jones

OLD BROAD STREET BUREAU LIMITED
STAFF CONSULTANTS
01-588 3991

JEAN LION & TARDIVAT GROUP

require the following personnel:

1. FINANCE EXECUTIVE AT DIRECTOR LEVEL
   To take control of day-to-day administration work. Applicant should be a qualified accountant.
2. BACK OFFICE EXECUTIVE
   To work with present manager of this department as a team. Applicant should be capable of accounts to Trial Balance or beyond.
3. STOCKBROKER
   With knowledge of Gilt/Eurodollar markets. Applicant should be capable of handling own market analysis and would be expected to promote a clientele capable of trading LIFFE and Chicago contracts.
4. PERSONAL ASSISTANT/SECRETARY
   To Managing Director. French an asset.

Preference will be given to applicants previously involved with a company trading commodity futures (except 3). Salaries are negotiable according to experience. Please reply in writing or phone Ms. Messenger to arrange an interview.

JEAN LION (UK) LIMITED
Europe House, World Trade Centre, London E1 9AA
Tel: 01-488 0201

WANTED: SLIGHTLY USED EXECUTIVES

If you are an able, experienced executive or professional person, yet somehow are not making the most of your potential, perhaps you need a new approach to your career. To learn how 'slightly used' executives have profitably renewed their careers, telephone for a free, confidential appointment with a consultant, or send us your c.v.

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London: 01-580 6771
35-37 Fitzroy St., W.1.
Birmingham: 021-643 4830
The Rotunda, New Street.
Manchester: 061-228 0089, Sunley Building, Piccadilly Plaza.
Glasgow: 041-204 0942, 11 Bothwell Street.

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InterExec is the only organization specialising in the confidential promotion of senior executives.

InterExec clients do not need to find vacancies or apply for appointments.

InterExec's qualified specialist staff, and access to over 100 unadvertised vacancies per week, enable new appointments at senior levels to be achieved rapidly, effectively and confidentially.

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Manchester	061-236 8409	Faulkner Hse., Faulkner St.

The one who stands out

Assistant U.K. Representative
FOR FRENCH BANK

We seek an Assistant to the head of our U.K. Office in the City. The successful candidate will have current U.K. banking experience and be in the late twenties. Fluent French is required.

Reply in confidence with full c.v. to: Box A.8096 Financial Times, 10 Cannon Street, London EC4P 4BY

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GORDON BROWN
Bank Recruitment Consultants
85 LONDON WALL
LONDON EC2M 7AD.
Telephone: 01-628 4501

Insurance Executive
Saudi Arabia

Willis Faber – a leading firm of international insurance brokers – is closely involved with many of the local market developments in Saudi Arabia. In recognition of growing needs, it is now setting up a local establishment based in Jeddah, and needs an experienced Insurance Executive with responsibility for business management and development.

The ideal candidate, between 35 and 40 years of age, will have extensive working experience both in the London Market and overseas. He should have a non-marine bias, and additional specialist knowledge in the field of construction, oil and gas, or marine would be an advantage.

A close working knowledge of international markets is essential.

This position will be of interest only to someone with a proven track record of systematic business production, allied to an ability to move easily at the highest levels.

An attractive compensation package is offered, including a freely transferable pension on completion of contract.

To apply for an application form please telephone Mrs. P. Fowler, on 01-488 8282 or write to her, in strict confidence, with full career details at Willis Faber, Ten Trinity Square, London EC3.

Willis Faber

CHIEF EXECUTIVE OFFICER

A Cayman Islands Company specialising in Corporate Management Services for International clients requires a Chief Executive Officer to take full charge of the day-to-day management of the Company, including the accounting functions. The Company presently manages in excess of 400 corporate entities and has good growth potential.

Applicants should be able to deal effectively with all matters relating to Corporate Management including co-ordination with international law firms, accounting firms and Trust Companies.

Applicants should be at least 40 years of age and have full command of the English language.

Salary offered US$50,000. There are at present no income taxes in the Cayman Islands. Vacation 21 days per annum with paid fares to home country.

Please reply giving qualifications with relevant personal and career information to:

General Manager Europe
WORLD WIDE LIMITED
P.O. Box 12074, Rotterdam Airport
Rotterdam, Holland

Bahrain Light Industries Co. B.S.C. develops a new furniture factory in Bahrain, with a staff of approximately 120, for the manufacture of cupboards, doors, chairs and kitchen furniture. Production is envisaged to start in March, 1984.
For this project BLICO is looking, at the earliest date possible, for:

An experienced, ambitious and competent

General Manager

responsible for the development, management and supervision of the factory.
The ideal candidate should be a professionally highly qualified personality with at least five years' experience in a similar field of activities (preferably in Middle East countries). Flexibility and fluent English knowledge are essential requirements for this challenging job.

An efficient University graduate engineer as

Production Manager

with outstanding experience in wood processing responsible for the flow and quality of products.

A highly professional and business-orientated

Sales Manager

responsible for the setting up of an effective and successful marketing and sales organisation (candidates familiar with the Middle East market situation will be given preference).

Accommodation and car will be provided, as well as four weeks' annual leave.

The salary will depend on qualification and experience.

Please send full details of educational and professional background, including references, to the following address:

MOTOR COLUMBUS
Consulting Engineers
Parkstrasse 27, CH-5401 Baden, Switzerland
Ref: BLICO Furniture Factory

Executive Assistant
International Banking, Kuwait c.£25,000 Tax Free

Our client is one of the most highly regarded Middle East banks. Having consolidated its position in the domestic market, the Bank is now placing a greater emphasis on the development of its international operations.

The requirement is for a versatile young banker to provide a high level of technical and professional support to the executive responsible for the Bank's international expansion and development programme.

Aged 30 to 35, the preferred candidate will probably have a degree in economics or finance, and may have completed a broad based graduate training scheme followed by sound, practical staff or operational experience with particular emphasis on international banking and corporate or institutional finance.

Salary is negotiable around £25,000 and the two-year renewable contract includes furnished accommodation, children's school fees and six weeks annual home leave.

All correspondence will be in strict confidence; and candidates should send brief career details to A. R. Duncan at Bull, Holmes (Management) Limited, 45 Albemarle Street, London W1X 3FE, quoting Ref. 301.

Bull Holmes
PERSONNEL ADVISERS

W.I. CARR (SONS) & CO. (OVERSEAS) LIMITED

INVESTMENT ANALYST
HONG KONG

We wish to recruit an experienced analyst to work in our Head Office in Hong Kong.

The position carries considerable responsibility, and a past record of success is essential. Applicants should be able to write lucidly and logically, and to communicate effectively at a senior level. It is unlikely anyone below 28 years would have the experience we require.

The salary will be competitive and there are excellent prospects within this expanding company.

Please write in strict confidence to:

The Managing Director
W. I. Carr, Sons & Co. (Overseas) Limited
Milestone House, 107 Cannon Street
London EC4N 5AY

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DAR AL-MAAL AL-ISLAMI

We are a large and rapidly expanding group of financial services companies, with field operations in the Middle East, as well as West Africa. Due to our continued expansion, we are now creating the position of

Director of Investments

The selected incumbent will be a very capable and experienced financial investment professional, with excellent organizational and leadership abilities. He will provide managerial direction and control over already existing and efficiently operating investment and project financing services, integrate these services into a fully cohesive entity, and lead them into further development. His responsibility will also include the formulation of an investment policy in line with the Company's fast expansion and specific Islamic operating criteria.

For this challenging senior management position we feel that an MBA degree or equivalent is a must. A wide and varied experience in Commercial Lending, Commodities Trading, FOREX Operations and Venture Capital Operations in multi-national business arrangements is a necessity.

Preference will be given to:
either Swiss nationals or holders of a valid Swiss work permit,
or candidates of Moslem origin.

Please send your application, with detailed résumé, to:

DAR AL-MAAL AL-ISLAMI (DMI) SA
Attention: Daniel Bringolf
Human Resources Department
P.O. Box 696 · 1211 Geneva 1 · Tel. (022) 31 28 00

All applications will be treated in absolute confidentiality.

O AND M MANAGER DESIGNATE

A leading financial institution in Saudi Arabia is seeking a Manager for its Systems Department which is presently rationalising and documenting procedures prior to the start of a major computerisation project.

The Department, of some 20 staff, has been formed to support a team of outside advisers whose expertise the Manager will eventually replace. The Manager, who will be based in Riyadh, will continue the current work and, as computerisation proceeds, will oversee the development, documentation and implementation of amended procedures for user departments and branches.

Candidates will have a commercial banking operations and procedures background. At least 5 years' practical experience in O and M, some of it in a management/supervisory capacity, is required including experience of computer-related projects. Extensive knowledge of international and domestic banking and the problems of a large branch network is essential. Knowledge of Arabic would be an advantage.

A two-year renewable contract will be offered to the successful candidate at a salary reflecting both his experience and the importance attached to this position. The package will include an annual bonus, car, medical scheme, free furnished accommodation and one month's leave annually with air tickets to country of origin of employment for the employee and dependants.

Please send résumé and salary history by January 30, 1983 to Box A.8122, Financial Times 10 Cannon Street, London EC4P 4BY

EMPLOYMENT CONDITIONS ABROAD LIMITED

An International Association of Employers providing confidential information to its member organisations, not individuals, relating to employment of expatriates and nationals worldwide
01-637 7604

BANK OF BOTSWANA
Internal Auditor

The Central Bank of Botswana has a vacancy for an Internal Auditor. Applications are invited from candidates who hold appropriate University degrees OR equivalent professional qualifications, preferably with at least 10 years' relevant audit experience in Central Banks or similar financial institutions.

The Internal Auditor is Head of the Audit Unit of the Bank and reports directly to the Governor. The job involves the audit of all sections of the Bank and also includes the supervision, training and development of the staff of the Audit Unit. Preference will be given to candidates who possess a solid base of accounting and auditing, a flair for detailed analytical work and ability for logical analysis and a willingness to assist in the development of systems and procedures of the Bank.

Salary and other Benefits

We offer an attractive and competitive salary, tax free gratuity of 25% of gross emoluments earned during the contract period which is initially for 24-36 months, 35 working days' leave plus free return airfares on start and end of contract, liberal education allowance with free passages for children, contributory medical aid scheme available.

Applications should be addressed to the Director of Administration, P.O. Box 712, Gaborone, BOTSWANA to arrive before 31st January 1983.

APPOINTMENTS WANTED

BRITISH NATIONAL with THAI CITIZENSHIP

and of independent means resident in Thailand over 25 years with connections at the highest levels is looking for interesting opportunities to represent organisations or companies, etc. with Far East interests.

Write Box A.8121, Financial Times, 10, Cannon Street, London EC4P 4BY.

INTERNATIONAL BANKER

many years' experience in UK and overseas with corporate and private business including credit, marketing, financial services and investment, is able to act as UK agent, representative or manage on ongoing or start up basis.

Write Box A.8123, Financial Times, 10, Cannon Street, London EC4P 4BY.

EFHutton
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BROKERS AND INVESTMENT BANKERS

We are looking for established

Account Executives

who are willing to relocate in Greece. Trainees could also be considered.

Write in full confidence to:
Clemente dal Drago
Senior Vice President
E.F. HUTTON INTERNATIONAL
9, Place du Bourg-de-Four
1204 Genève

Project Accountant
Bahamas c£21,000 tax free

If you are a qualified accountant, with at least three years' post qualification experience in manufacturing industry, take advantage of this exceptional opportunity to work in Freeport, Grand Bahama.

Franklin Chemicals, a subsidiary of Smith Kline Beckman Inc., need a project accountant for their new, sophisticated multi-purpose chemicals plant. An effective communicator, you should be familiar with the design and implementation of costing systems, and have the ability to train local nationals.

The three year contract, on family or single status, offers the advantages of a superb climate and environment plus a very attractive benefits package.

Send full cv to: Anne Hill, PER Overseas, Norwich House, 1 Vicar Lane, Sheffield S1 3EB.

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Accountancy Appointments

FINANCIAL CONTROLLER SAUDI ARABIA

US$ 30,000—32,000
plus accommodation & car

Skypak, the Australian-owned international courier company, has a vacancy for a Financial Controller based in Jeddah.

Key responsibilities will include:—
- Strengthening accounting systems and controls;
- Introduction of computer-based systems;
- Preparation of financial plans and accounts in accordance with a strict timetable;
- Management of accounts staff in three locations.

The preferred age range is 28-35. Either married or single persons will be considered.

Candidates should send a full curriculum vitae, together with recent photograph, to:—

World General Manager (Ref. FCS)
SKYPAK INTERNATIONAL (UK) LIMITED
Unit 6, Spitfire Estate, Spitfire Way, Hounslow TW5 9NW

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couriers to the world

Ambitious accountant

London, c£15,000 + car

C&L

A fast expanding international Lloyds insurance broker with income in excess of £11 million and an impressive record of profit growth has this interesting opportunity.

Reporting to the Financial Controller and managing the accounting department, your responsibilities will cover the broad areas of financial and management reporting. There is an emphasis on interpretation and analysis and you will play a prime role in the further development of computerised systems.

Probably aged 26-29 you should be a qualified accountant from the profession or commerce.

Résumés including a daytime telephone number to Stephen Blaney, Executive Selection Division, Ref. B095.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Shelley House Noble Street
London EC2V 7DQ

Finance Director

Main Board

Our client, a well-established public company based in London, is seeking a Finance Director to join its main board.

With a turnover of around £200m, it is in the retail sector and operates through a large number of wholly owned outlets in the UK.

The company has been under financial and market pressure for some time, but in the last year has been successfully implementing substantial freehold property divestment and rationalisation and has made major changes in its systems and staffing. The present board (currently without a Finance Director) is confident of an early return to profit.

The new Finance Director will be under 45, preferably an FCA and will have had significant main board exposure in a large or medium-sized company. Though his or her experience need not have been in retailing, the successful candidate must have introduced new control systems successfully in the past and have shown a capacity for business policy planning.

The starting salary will be by negotiation, but at least £25,000 p.a. There are generous fringe benefits and relocation expenses if required.

Please write, attaching a short c.v. to Berry Wilson.

Berry Wilson Associates Limited
178 North Gower Street, London NW1 2NB
Telephone 01-388 7611

ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY

Management Accountant/ Administrator

High-technology consultancy

Central London **to £14,000**

PACTEL is a leading worldwide consultancy in computing, telecommunications and office automation and is part of PA International Management Consultants Limited. Its UK headquarters comprise some 100 consulting staff and occupy modern premises in Victoria. Turnover approaches an eight-figure sum, and the working atmosphere is one of creativity allied to professional expertise and total commitment to meeting client needs. The Management Accountant will report to the Chief Executive and, with a staff of 10, be responsible for all accounting aspects of the company and for providing a range of administrative services, including word processing. The post involves a key role in the business planning and budgeting processes and in developing the established reporting systems which include the French and German operations. Candidates, probably aged 25 to 35, must be qualified accountants. Management ability will be important as well as the capacity to grasp a complex business situation. In addition, experience of computers and of procedure design will be an advantage. Salary is negotiable in the range £12,000 to £14,000 with a substantial car allowance and benefits appropriate to an executive grading.

Write for an application form or send brief CV to the address below, *quoting ref: AA51/8127/FT on both letter and envelope*, and advising us of any other applications you have made to PA Personnel Services within the last twelve months. No details are divulged to clients without prior permission. Initial interviews will be conducted by PA Consultants.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

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FINANCIAL CONTROLLER

C. London **to £16,000 + car**

The company, founded in 1975, develops, manufactures and markets microcomputers from operations in the U.K., Europe and the U.S.A.

They have achieved considerable success since their commencement, having more than doubled their turnover in the last two years. The directors are confident that their products are sufficiently good to sustain and increase that rate of growth, and their plans for development suggest that the company will offer an exciting and dynamic environment for the future.

This combination of rapid growth and anticipated expansion has created the need for this appointment. The successful candidate must be able to operate as the senior financial executive in the group and should be of the calibre to succeed to the position of Finance Director.

While personal qualities and attitudes will be the critical factors in selection, the appointee will be a qualified accountant with at least 5 years post qualification experience in industry and commerce. He/she will also be prepared to become involved in all levels of the finance function.

Written applications containing relevant personal and career details should be forwarded, in confidence, to Richard Norman, F.C.A. at our London address quoting reference number 3863.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management Recruitment Consultants

DLA

Group Financial Manager

Eurotherm International plc

Our client is an expanding, publicly quoted UK electronics group with each autonomous subsidiary having responsibility for its own design, manufacture and marketing.

Reporting to the Group Financial Director, he/she will work closely with and assist him in his direct responsibility for the central finance operation and functional responsibility for the financial control of its UK and overseas subsidiaries. The post is created by promotion of the incumbent to an operating company.

Candidates, ideally aged 26-30, must be qualified accountants of graduate calibre, preferably with a period in manufacturing industry since qualifying. An essential quality for this excellent opportunity will be the need to communicate effectively with management from high technology, scientific and engineering backgrounds.

Location-Worthing. Remuneration-c. £16,500 plus car.

Please write to Mike Hann, giving full career details, and quoting reference 1351.

Odgers

MANAGEMENT CONSULTANTS
Odgers and Co Ltd, One Old Bond St, London W1X 3TD 01-499 8811

Financial Control

at least £15,000 + car

Booker McConnell PLC is an international group comprising seven divisions, operating in diverse business sectors in the UK and overseas, with a sales turnover approaching £1 billion.

This is a new appointment located within the small, City-based corporate head-office team. You will principally be assisting the Group Financial Controller on a wide range of tasks: from the collation, analysis and appraisal of information, to active involvement in the planning function and, from time to time, helping group directors at head office on the financial aspect of ad hoc projects.

The scope for career advancement is considerable. We are seeking, therefore, a business graduate or an accountant, probably around 30, who seeks experience at the centre of a major group as a necessary step on a path leading towards a financial or general management appointment.

Starting salary as indicated but could be significantly more. The usual benefits apply, including BUPA.

Please send a full CV or telephone or write for an application form to J P Sykes, Group Personnel Adviser, Booker McConnell PLC, Bucklersbury House, 83 Cannon Street, London EC4N 8EJ. Telephone: 01-248 8051.

BOOKER McCONNELL PLC

Assistant Financial Controller

A responsible role with real career prospects
Attractive salary + banking benefits

Morgan Guaranty is a leading international corporate bank, and, in terms of assets, one of the world's largest. Our Jersey Office is an important, expanding part of our organisation and we now wish to strengthen our professional team by appointing an Assistant Financial Controller.

The need is for a qualified Accountant (ACCA or ACMA) with the potential to achieve promotion to Financial Controller within 2/3 years. You must have permanent Jersey residential status and be able to demonstrate a knowledge of a wide range of accounting activities. Experience of computerised systems and banking would be advantageous, but these are by no means essential.

Initial responsibilities will include the preparation of management accounts, the evaluation of performance against budget and the management of fixed assets, payables, reconciliations etc. The training and development of staff and the preparation of clear, concise operating procedures will also form an important part of the job.

We are offering an attractive salary to reflect fully the importance of this key role, plus a valuable fringe benefits package that includes low interest mortgage facilities, a profit-sharing bonus and non-contributory pension, medical and life insurance schemes.

If you are interested in joining our thriving office in St. Helier, then telephone for an application form or write with a full c.v. to: Peter J. Mills, Head of Recruitment and Personnel Relations, Morgan Guaranty Trust Co. of New York, PO Box 161, Morgan House, 1 Angel Court, London EC2R 7AE. Tel: 01-555 3111 ext. 2746.

INTERVIEWS WILL BE HELD IN LONDON

The Morgan Bank

Controller

London ***c £23,500+car etc.***

Our client, a wholly owned UK subsidiary belonging to a major US chemical manufacturer wish to recruit a competent and business minded accountant for its UK operation which includes the manufacture of chemical products for UK consumption as well as for export primarily throughout Europe, Africa and the Middle East.

Reporting to the parent Company Vice President in the USA and functionally to the UK Managing Director, the successful candidate's prime responsibilities will include co-ordination of effective accounting, budgeting and financial planning for the company.

Applicants aged 30 to 45 must be Chartered Accountants with a minimum of 12 years financial and accounting experience with steadily increasing responsibilities and proven management ability. Achievement in implementation of data processing would be very useful.

A commencing salary of c £23,500 pa is envisaged and a company car will be provided together with other benefits. Reasonable relocation costs will be reimbursed if the successful applicant is required to move home in order to take up employment.

Candidates, male or female can make application by quoting MCS/7092 and requesting a personal history form from Michael R. Andrews, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY.

Price Waterhouse Associates

MANAGEMENT ACCOUNTANT

Middlesex

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The person appointed will be required to join the Water Companies' Association (contributory) Pension Scheme.

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Applications giving details of present appointment, career and salary progression, qualifications, age and experience together with the names of two professional referees, should be addressed to:- K. J. Reynolds, General Manager, Lee Valley Water Company, Bishops Rise, Hatfield, Herts, marked 'CONFIDENTIAL' so as to arrive not later than Tuesday, 25th January 1983.

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Ref: R.C.194

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- Reviewing regularly each company's figures against budget
- Reviewing budgets for each Laisure Division company.

Ha/sha will also work closely with tha Financial Vice-President on cash management, tax planning, funding and insurance matters for Leisure Division.

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Financial Controller

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Written application should be made in the strictest of confidence to:
The Group Personnel Director
William Press Group Head Office Limited
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COMMODITIES AND AGRICULTURE

World sugar surplus forecast

WORLD SUGAR production in the 1982-83 (September to August) crop year is likely to exceed consumption by 4.4m tonnes raw value, sugar dealer Lonconex said in its latest statistical report.

Total production is put st 96.44m in 1982-83, while consumption is expected to resch 92.84m.

Lonconex said the EEC should produce a surplus of 4.1m, with production at 14.5m and consumption at 10.4m. Soviet production of 7.0m would be 5.6m short of demand requirements, while the U.S. is likely to have a shortfall of 4.3m.

● ISRAELI fruit and vegetables crops have been affected considerably by bad weather. Heavy rain and high winds have led to the suspension of picking in citrus groves, which is expected to be reflected in shipments later this month, and exports of other crops grown in the open, such as avocados, peppers and celery have been halted or reduced.

● EEC output of colza and rapeseed is expected to rise to 3.7m tonnes by 1989, compared with 2.7m in 1982, the EEC Commission says in a report.

● BRAZILIAN soyabean crop estimates of between 14.4m tonnes and 14.6m tonnes are expected soon from the agriculture ministry's production financing company CFP, say traders in Rio de Janeiro. The estimate would compare with CFP's earlier forecast in November of 14.58m tonnes.

● CAMEROUN cocoa purchases in the week to January 3 reached 7,254 tonnes, bringing the season's total to 71,249, 114 tonnes more than in the same period last year, according to the Cameroun's produce marketing board.

● THE AMOUNT of coffee stored in New York and New Orleans warehouses and certified for delivery against the New York coffee "C" futures contract stood at 60,869 bags at December 30.

Surge in palladium price

BY RICHARD MOONEY

THE UPSURGE in free market prices for platinum and palladium continued yesterday with both metals reaching long-time highs.

Platinum gained $29.50 to $426.50 an ounce as dealers forecast that it could soon regain its traditional premium over the gold price, which closed yesterday at $456.50 an ounce. In sterling terms yesterday's platinum quote was £262.85 an ounce, the highest level since December 1980.

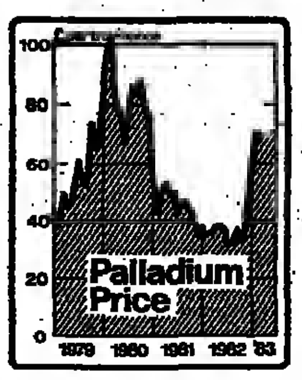
Meanwhile palladium reached s 20-month high of $115.50 an ounce (equivalent to £71.20) after rising $9.90 on the day.

The palladium rise followed news from Johannesburg that Impala, one of the world's biggest producers, had raised its price by $20 to $130 an ounce.

It explained that the move was prompted by e fall in real income from production of the metal because of inflation in production costs. It said supply and demand factors had also been taken into account.

Speculative demand for both platinum and palladium has increased sharply in the past month as investors have begun to switch from gold. As industrial metals, both are seen as having the potential to outperform gold in the event of a significant economic upturn this year.

The other leading palladium producers, Englebard Industries and Rustenburg Platinum Mines, said yesterday that they had no immediate plans to raise their prices. Englebard's stands at £76.75 an ounce and Rustenburg's at $140.



Palladium has been particularly attractive to speculators following the Soviet Union's recent announcement that it was cutting 1983 supply allocations to Western dealers by st least 25 per cent, though Mr Robert Bovell, managing director of Impala, said yesterday that he was sceptical about this.

Production levels in South Africa and the Soviet Union, the two leading producing areas, are estimated to have been cut by around one-third recently in response to high stock levels and sluggish industrial demand.

Impala itself reported "very substantial" production cuts last year while Rustenburg reduced output to 800,000 ounces from 1.2m.

On the London Metal Exchange copper prices moved up strongly again following an overnight rally in New York which dealers attributed to New Year optimism about U.S. economic prospects. Cash high grade copper ended the day £15.75 higher at a 15-month high of £948.50 a tonne.

U.S. plans rice acreage cut

WASHINGTON—U.S. rice farmers will have to take 20 per cent of their crop land out of production in 1983, Agriculture Secretary John R. Block announced this week, reports AP-Dow Jones.

The cut will include a 15 per cent acreage reduction plus a 5 per cent "paid diversion" of acreage. Producers will have to comply with the programme in order to qualify for Federal price supports and related benefits on their crop.

Last year the rice programme called for a straight 15 per cent acreage reduction without the additional diversion which qualifies producers for direct Federal payments. Mr Block said the target price for 1983 rice will be $11.40 per hundredweight, the minimum allowed by the law. Last year's target was $10.85 per hundredweight.

Target prices are bookkeeping devices used to compute Federal "deficiency" payments to farmers when market prices drop below the target level.

Indonesia has signed an agreement to buy 120,000 tonnes of Thai rice, Foreign Trade Department Director-General Danai Tulalamba said in Bangkok yesterday, reports Reuter. He said shipments totalling 100,000 tonnes of white rice will be made between January and March. The remaining 20,000 tonnes are glutinous rice which will be delivered between February and March.

Our Rangoon correspondent writes: Iran has bought 50,000 tonnes of rice from Burma under contracts signed here recently.

Burma's rice exports have totalled around 700,000 tonnes so far in the 1982-83 fiscal year (ending in March). Foremost buyers are China, which has taken over 141,000 tonnes for shipment to Sri Lanka as part of a triangular trade arrangement, and the UN development programme which has taken about 77,000 tonnes for shipment to Africa, Vietnam and Sri Lanka.

Burma exported 884,000 tonnes in 1981-82 earning over $460m.

Dockers block bacon exports

By Hilary Barnes in Copenhagen

CALLS FOR a boycott in Britain of Danish bacon and butter because of the current fishing dispute were given unexpected backbone by Danish dockers yesterday when they decided to prevent the export of Danish agricultural products from Esbjerg, the main export terminal for bacon for the UK market.

The men are striking in protest against legislation cutting the daily unemployment benefit for dockers who are not hired on any given day from Kr 335 to Kr 226 (from £24.60 to £19.55). The dockers' protest has disrupted work at most Danish ports for the past three weeks.

ESS-Food, the Danish bacon exporter, is preparing contingency plans for the export of bacon by other routes, which could include shipment from Hamburg. On other occasions when Danish dockers blockaded exports, ESS-Food has been fairly successful in beating the blockade by transporting the bacon to Continental ports, even using the cross-Channel ferries on some occasions.

The export ban comes as the Danes are launching a record £2m campaign to persuade the British to eat more of their bacon. Already Danish bacon has a 43 per cent share of the UK market, while Denmark also supplies about 14 per cent of British butter consumption.

Exports of Danish farm products to Britain are worth some Kr 165m per week, of which Kr 120m represents meat products and Kr 32m dairy products, according to official figures, reports Reuter.

The stevedores' three-week strike has all but paralysed Denmark's main ports, causing ships to seek other Baltic ports and disrupting the country's supplies, port authorities said.

LIVESTOCK

Welsh breeds show their paces

BY ROBIN REEVES, WELSH CORRESPONDENT

WALES IS becoming an important source of breeding stock for the UK and overseas, according to Professor J. B. Owen, head of the Agriculture Department of University College, Bangor, North Wales.

Writing in Y Tir, the journal of the Farmers' Union of Wales, Prof Owen says that whereas Scotland and England have been more closely identified with the description "stud farm of the world," Wales is now becoming increasingly important in this respect.

The Welsh Black cattle breed was the main breed in the UK in widespread use as the basis for self-contained beef suckler herds. Trials carried out by the Meat and Livestock Commission showed it to be a breed with a capacity for milk yield, rapid growth and lean carcase production, under both upland and lowland conditions, while the Welsh Black cow had proved a particularly good base for the production of Charolais-cross cattle for slaughter.

The Welsh Mountain ewe was the most numerous of all British breeds, with approximately 2.5m ewes in 1980. In the decade 1970-80, Welsh Mountain sheep numbers have increased markedly (by about 40 per cent), displacing the relatively static Scottish Blackface as numerically the most important British breed.

The Animal Breeding Research Organisation in Edinburgh had shown that the Welsh ewe, as pure bred ewe or as a component of a cross-bred, was superior to both the Scottish Blackface and the Cheviot in terms of lamb viability. In conjunction with the hill breeds, Wales had become an important source of cross-bred ewes for the English lowlands, as they became more widely known outside Wales.

Welsh breeds and crosses were also becoming the focus of overseas interest. Prof Owen says of great interest for the future is the development of two other types of Welsh sheep.

The Llyn Breed, almost extinct a quarter of a century ago, is now rapidly expanding in numbers and territory. It is a breed of medium size, with high prolificacy, ideal for the lowland producer who wishes to make a self-contained breeding flock. It is also an ideal base for crossing with Texel rams for lean lamb production.

The other was the Cambridge Welsh cross-bred ewe, combining the prolificacy outside of the most prolific British breeds of sheep with the lamb viability characteristics of the Welsh Mountain ewe.

A big opportunity faced the beef cattle and sheep breeders of Wales, said Prof. Owen, but success depended upon efficient and aggressive marketing and on sound breeding policies to accentuate the strong points of their livestock. At the same time, he expressed concern that Wales receives a very small proportion of research and development funds on livestock. For historical and other reasons, there were no large Agricultural Research Council-funded animal research institutes in Wales, in spite of the importance of the area in the agricultural and livestock economy.

Adequate funding of existing centres of research and development in Wales and the maintenance of its advisory services were needed urgently to further agricultural progress, Prof. Owen added.

U.S. wheat sold to USSR

WASHINGTON — Exporters have reported 50,000 tonnes of new sales of wheat to the USSR and 50,000 tonnes of wheat sales switched from unknown destinations to the USSR, the U.S. Department of Agriculture said yesterday.

The sales were of hard red winter wheat for delivery in the 1982-83 marketing year, which ends on May 31.

The USDA said sales for delivery in the seventh agreement year (which ends September 30 1983) now total 2.475m tonnes of wheat and 3.049m tonnes of maize. Sales to the USSR in the sixth agreement year totalled 6.096m tonnes of wheat and 7.773m tonnes of maize.

Widespread precipitation in the winter grain areas of the USSR in the week ended January 1 promoted growth in the extreme south and increased snow cover in some northern regions, the joint agricultural weather facility of the U.S. Departments of Commerce and Agriculture said.

In a summary of its weekly international weather and crops bulletin, the agency said moisture fell mostly as rain in the south and west regions and as snow in the central, northern and eastern areas.

Snow cover increased over Byelorussia, the central region, Volga Vyatsk and Northern Volga Valley.

Reuter

PRICE CHANGES

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LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	30.25-30.30	—0.25
Iranian Light	29.00-29.00	—0.10
Arabian Heavy	27.80-28.50	—0.10
North Sea (Forties)	30.70-30.80	—0.15
African(Bonny L'ght)	32.00	—
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	293-302	—5.5
Gas oil	277-287	—3.0
Heavy fuel oil	168-170	+1.0

GAS OIL FUTURES

A stronger Deutschemark encouraged buying at the opening and thereafter, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Jan.	279.00	+0.00	279.50-78.75
Feb.	271.75	+4.00	272.00-68.25
March	265.00	+5.25	265.00-62.00
April	260.00	+4.25	260.00-57.00
May	255.75	+0.50	256.00-53.50
June	254.50	+1.50	253.25
July	255.50	+2.00	—
Aug.	257.50	+0.50	—
Sept.	257.50	+1.50	—

Turnover: 1,539 (3,271) lots of 100 tonnes.

GOLD MARKETS

Gold rose $7 an ounce from Tuesday's close in the London bullion market yesterday to finish at $456-457, its best level of the day. It opened at $453-454 after a recovery in New York to above $450 with the market seeing a slightly more bullish sentiment but a lack of any follow through. There appeared to be some uncertainty in the market with the fear of another slip below $450 also adding to the cautious mood.

In Frankfurt the 12½ kilo bar was fixed at DM 34,370 per kilo ($455.01 per ounce) against DM 34,425 ($454.00) and closed at $454½-455½ from $449-450.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar at the fixing was $455.0 from $452.25.

In Paris the 12½ kilo bar was fixed at FFr 97,800 per kilo (456.87 per ounce) in the afternoon compared with FFr 97,800 ($456.82) in the morning and FFr 98,000 ($456.40) on Tuesday afternoon.

In Zurich gold finished at $453-456 from $449-452.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
January	—		—
February	458.50-58.7	+7.250	455.00
March	462.00-62.3	+8.000	464.00-58.5
April	465.50-54.2	+8.050	461.50-61.8
May	468.50-70.0	+8.550	466.80-65.8
June	471.00-73.5	+8.250	—
July	474.00-77.0	+9.000	—

Turnover: 751 (533) lots of 100 troy ounces.

	Jan. 5		Jan. 4	
Gold Bullion (fine ounce)				
Close	$456-457	(£281¼-281¾)	$449-450	(£278½-277)
Opening	$453-454	(£278½-279)	$451-452	(£278-278½)
Morning fixing	$454.75	(£280.106)	$452.75	(£278.187)
Afternoon fixing	$454	(£270.850)	$440.50	(£276.445)

Gold Coins Jan. 5					
Krugrnd	$469½-470½	(£289½-290)	King Sov	$114-115	(£70¼-70¾)
½ Krug	$242-245	(£149¼-149¾)	Victoria Sov	$114-115	(£70¼-70¾)
¼ Krug	$123¼-124¼	(£70-70¾)	French 20s	$101½-104	(£62½-64)
1/10 Krug	$50-51	(£30¾-31½)	50 pesos Mex.	$547-549	(£337¼-338½)
Mapleleaf	$468½-470	(£288¾-289¾)	100 Cor. Aust	$444-447	(£275½-275¾)
New Sov	$107¾-108½	(£65¼-66¼)	$20 Eagles	$525-535	(£323½-329½)
½ New Sov	$62¾-64¾	(£38¾-40)			

EUROPEAN MARKETS

ROTTERDAM, January 5.

Wheat—(U.S. $ per tonne): U.S. No. Two Red Winter, Jan 151, Feb 153, March 155, April 158. U.S. No. Three Amber Durum, spot 186, April/May 171, June 172. U.S. No. Two Northern Spring 14 per cent, Jan 182, Feb 183, March 184, April/May 169.50. Canadian Western Red Spring, April/May 197.

Maize—(U.S. $ per tonne): U.S. No. Three Yellow afloat 118, Jan 16.50, Feb 117, March 117, Jan/March 117, April/June 119, July/Sept 121, Oct/Dec 123.75 sellers.

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports, Jan 229.40, Feb 231.50, March 233.75, April 235.50, May 236.25, June 237.50, July 239, Aug 239.50, Sept 239.75, Oct 233.50, Nov 233.50, Dec 237.75 sellers. Argentine June 232.80 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent, afloat 217, Dec 210.50, Jan 215.50 traded, afloat 217.50, Dec 217.35, Jan 217, Feb 217, March 217, April/Sept 215.60, Nov/March 220 sellers. Brazil Pellets, Dec 232.50, Jan/March 232, April/Sept 232 sellers.

PARIS, January 5

Cocoa—(FFr per 100 kilos): March 1,212/1,219, May 1,238/1,240, July 1,250/1,265, Sept 1,270/1,300, Dec 1,305/1,330, March 1,340/1,350, May 1,380/1,410. Sales at call: 5.

Sugar—(FFr per tonne): March 1,442/1,445, May 1,480/1,485, July 1,510/1,525, Aug 1,555/1,560, Oct 1,600/1,605, Nov 1,600/1,610, Dec 1,660/1,670, March 1,740/1,750. Sales at call: 7.

BRITISH COMMODITY MARKETS

BASE METALS

[illegible]

NICKEL

[illegible]

COPPER

[illegible]

SILVER

[illegible]

TIN

[illegible]

LEAD

[illegible]

ZINC

[illegible]

ALUMINIUM

[illegible]

POTATOES

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

COCOA

[illegible]

COFFEE

[illegible]

GRAINS

[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

COTTON

[illegible]

INDICES

FINANCIAL TIMES

REUTERS

MOODY'S

DOW JONES

[illegible]

MEAT/FISH

[illegible]

AMERICAN MARKETS

NEW YORK

[illegible]

CHICAGO

[illegible]

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Jan	1138.5	1148.0	1115.0	1106.0
Feb	1145.0	1143.0	1130.0	1111.5
March	1154.0	1154.0	1125.0	1120.0
May	1172.4	1185.0	1144.0	1137.0
July	1190.8	1200.0	1162.0	1165.8
Sept	1209.2	1200.0	1182.0	1173.7
Dec	1237.2	1251.2	1212.0	1201.2
March	1267.2	1279.7	1279.7	1229.7
May	1287.2	1290.0	1264.0	1249.2
July	1307.2	1304.0	1296.0	1268.7

WHEAT 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
March	328.5	329.4	324.4	[illegible]
May	336.9	337.0	332.2	[illegible]
July	342.4	343.0	338.0	[illegible]
Sept	352.4	353.0	352.0	[illegible]
Dec	369.0	369.0	364.2	[illegible]
March	380.4	380.4	378.4	[illegible]

SPOT PRICES—Chicago loose lard 17.00 (same) cents per pound. Handy and Harman bullion silver [illegible] (1086.0) cents per troy ounce. New York tin 551.0-55[illegible] (554.0-56[illegible]) cents per pound.

[illegible] 8.00-8.20. Avocados—U.S.: 6.50-7.00; Israeli: 2.50-3.20; Canary: 3.00-3.20. Paw Paws—Brazilian: 5.00-5.50. Kiwi Fruit—New Zealand: 8.00-8.50. Mangoes—Brazilian: 7.00-8.00; Kenyan: 0.00-7.00; South African: 0.00-7.00. Litchees—South African: Per pound 0.70-0.80.

Fennel—Italian 10 lb 4.00. Sugar Peas—Moroccan: 11 lb 7.00. Tomatoes—Spanish: 6 kg 3.00-4.00; Canary: 3.00-4.50. Lettuce—Dutch: 12s 3.00, 24s 3.60-4.20. Celery—Israeli: 20s 5.40. Calabrese—Italian: Tray 5 kg 4.20. Artichokes—Egyptian: x 24 8.00-9.60. Aubergines—Canary: 6 kg 4.50-5.00; Kenyan: 4.50. Onions—Spanish: Orano 5.40; Polish: 2.60. Capsicums—Dutch: 5 kg Red 11.00; Spanish: Yellow 6.50; Canary: Green 2.80-3.50, Red 7.00; Israeli: Green 3.50, Red 9.00. Cabbages—Dutch: Red 2.60-2.80, White 2.60-2.80. Courgettes—Kenyan: 5 lb 2.50-3.00; Cypriot: 5 lb 2.50-3.00. Cucumbers—Canary: 3.60-4.00. Chicory—Belgian: 0 lb 2.20-2.40. Potatoes—Jersey: Per pound new 1.25; Italian: 20 lb 3.00; Canary: 25 kg mids 11.00, [illegible] Majorca: bag 0.00; Cypriot: 44 [illegible] 5.00-5.20, 27½ lb boxes [illegible]. Cauliflowers—French: 24s 8.00. Tunisian: 30 x 8 oz 0.45-0.62. Dates—Israeli. 11 lb 5.20.

English Produce: Apples—Per [illegible] Bramley 0.06-0.16, Cox's 0.[illegible] Russets 0.10-0.18, Spartan 0.[illegible] Pears—Per pound, Conference [illegible] 0.21, Comice 0.10-0.20. Potatoes [illegible] bag 2.20-3.00. Mushrooms—Per [illegible] open 0.30-0.40, closed 0.[illegible] Lettuce—Per pound 1.20-2.00. O[illegible] Per 55 lb 1.80-2.80. Pickling O[illegible] Per 55 lb 3.00-3.50. Cabbages [illegible] 25 lb 1.00-1.40. Per 28/30 lb Wh[illegible] 1.50-2.40. Greens—Per 28 lb Ke[illegible] 2.00. Brussels Tops—Per 28 l[illegible] 2.00. Sprouts—Per 20 lb 1.[illegible] Carrots—Per 28/28 lb 1.00-1.60. [illegible]—Per 28 lb 1.40-1.60. Swedes [illegible] 28 lb 0.80-1.20. Parsnips—Per [illegible] 1.80-2.00. Jerusalem Artichokes [illegible] pound 0.15-0.20. Leeks—Per [illegible] 1.60-1.80.

WORLD STOCK MARKETS

Mixed close on Wall St

WALL STREET stock prices finished mixed after a roller-coaster day in which the Dow Jones Industrial Average swung 14½ points between its lowest and highest levels.

The average rose as much as 5.80 points in morning trading but changed direction in the afternoon and was off 8.37 points at one stage. But in the last half-hour the average cut its losses and closed down 1.19 at 1,044.89.

The broader market performed much better with other market indices showing fractional gains and advances leading declines two to one.

* * *

AT MIDSESSION the average was up 4.97 points at 1,051.05; the New York Stock Exchange all-common index was ahead 76 cents at $82.05.

Also supporting the Oil issues was speculation that Saudi Arabia may agree to cut oil production to support its $34 a barrel price. Representatives of the four U.S. companies that are partners in the Arab American Oil Co (Aramco) met with Saudi Oil Minister Yamani yesterday in Geneva.

Seven of the 10 most active stocks were in the Energy sector. **Schlumberger** moved ahead 2¼ to $49¾, **Halliburton** 1¾ to $38¾, **Exxon** ⅜ to $30⅜, **Union Oil California** ⅜ to $30, **Amax** 2¼ to $23¾ and **Atlantic Richfield** $2 to $46⅝, all in active trading.

ATT and **IBM** were also active and continued to rise, as they have all week. Volume leader **ATT**, $1 higher at $63, and **IBM** added ⅜ at $96⅜.

Whirlpool fell 1¾ to $42 following news that Allstate Insurance, a Sears subsidiary, is to sell its 1,497,508 shares of Whirlpool.

THE AMERICAN SE Market Value Index was 5.14 stronger at 347.28 at 1 pm. Volume 7.91m shares (4.2m).

Canada

Markets were sharply and broadly higher at mid-session in active trading as Resource-based issues posted strong gains.

The Toronto Composite Index was up 23.0 at 1,972.8 on volume of 5.9m shares, with advances outscoring falls by more than three-to-one.

The Oil and Gas index rose 63.9 to 2,761.5, Golds 88.9 to 4,404.0 and Metals and Minerals 34.5 to 1,861.5.

Tokyo

A late afternoon surge sent the Tokyo market yesterday to a new record high in fairly heavy trading. The yen's advancing trend of late and growing expectations of a cut shortly in the Official Japanese Discount Rate were major bullish factors.

Most of the day, stock prices meandered without conviction, and the Nikkei-Dow Jones Average was up only five points by mid-afternoon. However, it subsequently advanced to an all-time peak of 8,066.25 for a rise of 44.75 on the day. The Tokyo SE index added 1.26 at 593.90, while volume expanded to 470m shares from a half-day session total of 250m on Tuesday.

Interest centred on issues likely to benefit from the yen's rise, such as Oils, Electric Power companies and Petrochemicals.

International Populars were mixed during the morning due to caution about the high price levels, but Computer Makers, Light Electricals and Precision Instruments were bought towards the close.

Nippon Oil gained Y30 at Y1,040, **Maruzen Oil** Y55 at Y345, **Hitachi** Y11 at Y832, **Fujitsu** Y12 at Y997, **Fuji Photo** Y40 at Y1,930, **Canon** Y40 at Y1,240, **Nippon Light Metal** Y19 at Y210, **Sony** Y20 at Y3,510 and **Pioneer Electronic** Y40 at Y2,220.

Hong Kong

The market recovered a little ground yesterday, helped by the overnight Wall Street rally, but turnover further contracted to the lowest level for more than four years.

The Hang Seng Index posted a modest 8.36 improvement at 769.97, with turnover at a nominal HK$23.81m on the four exchanges for the regular half-day Wednesday session, compared with HK$40.37m registered in the full session on Tuesday.

Concern over the health of the local property market and deposit-taking companies continued to overshadow sentiment.

Leaders were generally higher, with **Jardine Matheson** gaining 20 cents at HK$12.60, **Cheung Kong** 15 cents at HK$7.10 and **Hutchison Whampoa** 15 cents at HK$9.40.

Sun Hung Kai Properties picked up 7.5 cents to HK$4.575 and **Swire Properties** 5 cents to HK$4.70, but **Jardine Securities** were 20 cents lower at HK$7.10.

Germany

Profit-taking took share prices off their session highs after early buying orders had pushed the market to a 3½-year peak.

The Commerzbank index, calculated at mid-session, climbed to 777.6, up 5.7, the highest level since May 1979, and buying interest was broadly spread.

Domestic and foreign investor participation in the morning buying spree was traced to expectations of lower West German interest rates and a firming D-mark in Foreign Exchange markets.

Dealers, however, still anticipate the rally to lose steam ahead of expected General Elections in March, on uncertainty as to whether the Conservative Government will retain power. The Federal President is due to decide tomorrow whether to hold elections.

Among Motors, Daimler ended DM 1 up at DM 401, after DM 403.50, and Volkswagen ahead DM 1.80 at DM 150.80, after DM 151.50.

Paris

The wave of buying which surged through the Paris Bourse on Tuesday spilled over into yesterday's session in heavy volume, with shares closing broadly higher.

Spurring the market ahead was a fall in the French Call Money Rate and the overnight Wall Street rebound.

Call Money was cut to 12⅛ per cent from 12¼ and now stands at its lowest level since the Presidential elections in May 1981.

The bulk of the share buying came from institutional investors and the Indicateur de Tendance index closed 2.3 higher at 102.4. Advances outpaced declines by 135 to 39 in the French section and by 58 to 7 among foreign issues.

Australia

Markets rallied over a broad front, with speculative Gold Mining shares and high-yielding market leaders attracting local and overseas investors.

Volume was considerably better than in recent sessions, but brokers described it as still being on the light side. Traders said the big institutional investors have yet to join in the market this year, and whichever way they decide to go will make or break the current rally.

The All Ordinaries index closed 8.4 up at 496.2, while the All Industrials index rose 9.8 to 633.7 and All Resources 7.1 to 385.3.

Market leaders to advance included **BHP**, 14 cents up at A$6.50, **Western Mining**, 12 cents higher at A$3.48, and **MIM**, 15 cents harder at A$3.75.

Gold issues were less supported than on Tuesday, with some of the strong gains made being cut back. **Hampton Gold** rose 30 cents to A$3.00 buyer, **Peko** 20 cents to A$6.26 and **Matana** 7 cents to 49 cents, but **Central Norseman** lost 16 cents to A$8.90, **Emperor** 7 cents to A$1.78 and **Poseidon** 6 cents to A$5.90.

Johannesburg

Platinum shares featured by closing sharply firmer, but below their day's highs as profit-taking emerged after heavy demand in early trading. **Impala** closed 35 cents up at R11.00, after R11.20, and **Rustenburg** 85 cents stronger at R8.45, after R8.60.

Gold shares firmed with the Bullion price, heavyweight gains stretching to about 100 cents, as in Kinross, at R31.50.

INDICES

	Jan. 5	Jan. 4	Jan. 3	Dec. 31	1982-83 High	1982-83 Low
AUSTRALIA						
All Ord. (1/1/80)	496.2	487.8	c	—	595.5 (4/82)	443.3 (8/7)
Metal & Minls. (1/1/80)	420.5	411.8	c	—	489.1 (5/11)	285.0 (8/7)
AUSTRIA						
Credit Aktien (2/1/62)	[illegible]	51.05	51.88	(c)	58.98 (4/17)	47.38 (28/10)
BELGIUM						
Belgian SE (31/12/63)	100.65	100.50	101.15	(c)	103.83 (22/9)	86.42 (28/12)
DENMARK						
Copenhagen SE (5/1/83)	(u)	102.20	100.00	(c)	102.20 (4/1/83)	100.00 (5/1/83)
FRANCE						
CAC General (31/12/81)	93.5	(u)	96.10	100.20	111.6 (12/5)	93.3 (11/6)
Ind Tendance (31/12/82)	102.4	100.1	98.00	—	102.4 (5/1/83)	98.0 (5/1/83)
GERMANY						
FAZ-Aktien (31/12/58)	257.56	255.87	255.34	(c)	257.56 (5/1/83)	214.05 (17/8)
Commerzbank (Dec 1953)	777.5	771.8	773.2	(c)	777.8 (5/1/83)	650.2 (17/8)
HOLLAND						
ANP-CBS General (1970)	103.1	100.1	100.5	(c)	103.1 (5/1/83)	84.5 (18/1/82)
ANP CBS Indust (1970)	85.3	83.5	85.5	(c)	85.8 (7/15)	65.7 (4/1/82)
HONG KONG						
Hang Seng Bank (31/7/64)	769.97	761.61	785.36	783.82	1445.82 (13/1/82)	676.30 (2/12)
ITALY						
Banca Comm Ital. (1972)	162.01	161.68	184.06	185.92	512.88 (15/6)	147.28 (22/7)
JAPAN**						
Dow Average (16/5/49)	8066.15	8021.40	c	(c)	8066.15 (5/1/83)	6849.78 (1/10)
Tokyo New SE (4/1/68)	593.90	592.64	c	(c)	593.90 (5/1/83)	511.52 (17/8)
NORWAY						
Oslo SE (4/1/83)	99.59	99.01	—	—	100.00 (4/1/83)	99.01 (4/1/83)
SINGAPORE						
Straits Times (1966)	712.28	712.48	725.31	(c)	519.78 (5/1/82)	557.07 (18/8)
SOUTH AFRICA						
Gold (1958)	(u)	975.6	988.9	990.7	988.8 (5/1/83)	335.5 (8/7)
Industrial (1958)	(u)	743.0	740.9	738.1	745.0 (4/1/83)	507.5 (29/6)
SPAIN						
Madrid SE (31/12/82)	98.78	99.84	(c)	(c)	100.00 (31/12/82)	98.75 (5/1/83)
SWEDEN						
Jacobson & P. (1/1/58)	(c)	898.05	896.15	(c)	902.87 (30/12)	565.52 (29/4)
SWITZERLAND						
Swiss Bank Cpn. (31/12/58)	298.3	294.4	294.5	(c)	298.8 (5/1/83)	257.0 (17/8)
WORLD						
Capital Intl. (1/7/70)	—	156.4	154.8	155.2	156.4 (4/1/83)	116.4 (13/8)

(**) Saturday Jan 1. Japan Dow (c). TSE (c).

Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

LONDON STOCK EXCHANGE

Equity index bursts through 600 again and Gold Mines index surges to record as markets follow New York

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Dec 13	Dec 29	Dec 30	Jan 10
Dec 31	Jan 13	Jan 14	Jan 24
Jan. 17	Jan. 27	Jan. 28	Feb. 7

* "New-time" dealings may take place from 9.30 am two business days

London share values surged higher and the FT 30-share index yesterday burst through 600 for the first time in a month to close 13.8 up at 612.7, while the broader-based FT-Actuaries All-Share index hit a record high of 390.10. The boom was initiated by institutional investors who, after a fairly lengthy absence, committed funds primarily to Oil and energy-related stocks on the back of a similar move on overnight Wall Street.

New York's strength followed speculation that Saudi Arabia might agree to production cutbacks in order to defend the Opec reference price of $34 per barrel. U.S. markets also reflected continued optimism about cheaper money trends, encouraged by a fall in Fed funds leading to renewed hopes of a reduction soon in the all-important Federal Reserve Discount rate.

Enhanced opening prices in London failed to deter prospective buyers of Oils, and a 5.6m placing of British Petroleum shares to finance the £16m acquisition of Nanta, a Spanish animal feed company, was effected with little difficulty. Institutional activity was noted in other areas of the market too, although interest was specialised. Stock shortages accentuated numerous firm spots, notably in issues recently featured in New Year recommendations or Press comment.

South African Gold and Platinum shares bounded higher to spearhead a widespread advance in Mining markets. Demand was concentrated on medium and lower-priced issues at the expense of heavyweight stocks, but the FT Gold Mines index still achieved a best-ever level to close 17.4 up at 569.6 with the strength continuing well into the after-hours' trade.

Government Securities began promisingly but the movement faltered as investment interest switched to index-linked stocks. The latter rose very quickly with the accent on the later maturities, which gained a full point and more in places. Conventional Gilts were sold to finance index-linked purchases and longer-dated issues retreated to end around ¼ or so down on balance.

Composites good

Composite led Insurances into higher ground. Still drawing strength from Press comment, Commercial Union advanced 5 to 131p. Eagle Star put on 6 to 358p, while Sun Alliance put on 20 to 915p and Royals 13 to 440p. Phoenix firmed 10 to 298p as did GRE, 364p, and General Accident 364p. Elsewhere, Lloyds Brokers made modest progress.

Slightly firmer conditions returned to the major clearing banks after the previous day's dullness on the international debt crisis. Despite the announcement that Cuba is also defering debt payments, Lloyds rallied 5 to 400p as did Midland, to 300p.

Elsewhere, Hambros found support at 135p, up 10, while renewed speculative buying prompted a rise of 2 to 47½p in First National Finance Corporation.

Recent newcomer to the Unlisted Securities Market Resource Technology attracted fresh support and gained 15 to 195p, but Tops Estates, which staged a bright debut in the USM on Tuesday, encountered profit-taking and shed 2 to 26p compared with the placing price of 10½p.

Leading Buildings encountered good quality suport on continued interest rate optimism. Gains were widespread and often exaggerated by stock shortages and Blue Circle, a weak market recently on worires about the devaluation of the Mexican peso, rallied 20 to 450p. Ready Mixed Concrete rose 9 to 356p, as did Redland, to 247p. Tarmac firmed 10 to 448p and BPB Industries 12 to 545p. Barratt Developments attracted fresh buying and gained 12 more to 484p, while George Wimpey firmed 6 to 120p. The announcement that the company had acquired a 79 per cent stake in a Belgian building concern for £2.9m sparked considerable interest in Ruberoid which jumped 27 to 232p, but Burnett and Hallamshire shed 25 for a two-day fall of 45p to 870p on news that its South African subsidiary, Rand London Corporation, intends to raise funds via a rights issue. Timber issues made a bright showing, Meyer International rising 5 to 109p and Magnet and Southerns 8 to 194p. John Carr (Doncaster) put on 13 to 144p.

ICI, a strong performer recently, opened around 6 higher at 370p, but reacted on profit-taking to close unchanged on balance at 364p. Buying in front on today's results lifted Hickson and Welch 8 to 290p, while Amersham International advanced 7 to 253p.

Buoyant Stores

The cool reception afforded to the consortium 100p per share takeover approach to UDS hightened speculation that a drawn-out battle could be in the offing and the shares closed 4 dearer for a two-day gain of 10 to 99p. Other Store majors also closed at the day's best reflecting steady institutional support. Burton were again outstanding, advancing 8 more to 323p.

The increased level of demand spilled over into secondary issues, among which Elys (Wimbledon) gained 15 to 200p, and Waring and Gillow 3 to 75p. Grattan attracted useful buying and spurted 8 to 78p, but Empire, awaiting today's decision by the Monopolies Commission, gave up Tuesday's rise of 4 to finish at 88p; suitors, Great Universal hardened 5 more to 603p. Harris Queensway ware again wanted and rose 6 to 334p, while Home Charm, relatively ignored of late, jumped 11 to 307p. MFI, on the other hand, reacted 6 to 154p on profit-taking.

Buyers remained particularly interested in secondary Electricals. Fidelity Radio were again well to the fore on cfionsideration of the current boom in viedo sales and the close wa s a further 22 bigher at 103p. Also reflecting the consumer hoom, BSR advanced 6 to 61p, while Fobel, still drawing strength from an investment recommendation, gained 8 more to 117p. Forward Technology, a firm market of late, soared to 43p before closing a net 7 better on balance at 36p on the announcement of a bid opproach. The chairman's confident annual statement prompted a rise of 10 to 290p in A and G Security Electronics, while Immediate Business Systems met renewed support and gained 17 to 260p. Following business transacted late the previous evening, Amstrad opened higher at around 280p and encountered renawed buying to close 30 dearer at 305p. Security Centres, which returned fro suspension last week following the completed acquisition of National Guardsman of New York, jumped 20 to 283p. The firm leaders were featured by a rise of 33 to 680 in Philips Lamps with late sentiment helped by the company's joint venture with a subsidiary of the American Telephone and Telegraph. GEC put on 8 to 216p helped by Press comment.

Of the Engineering leaders, GKN encountered support and touched 121p before closing a net 4 dearer at 119p. Elsewhere, buyers showed interest in Babcock, 7 to the good at 109p. Still reflecting recent Press mention, IMI firmed 3½ to 48p and Davy Corporation 4 to 78p. GM Firth revived with a gain of 7 to 202p, while Chemring improved 15 to 550p in a restricted market. In contrast, Anderson Strathclyde reacted 10 more to 156p on fears that Charter Consolidated may not renew its bid following the former's plans to take a controlling stake in National Mine Service of the U.S.

Leading Foods again featured Tate and Lyle, which firmed 6 for a two-day gain of 16 to 236p; the preliminary results are due on January 19. Among Retailers, Tesco rose 4 to 124p and Associated Dairies 6 to 156p. Elsewhere, Danish Bacon, a thin market, jumped 6 to 90p; a £2m advertising campaign publicising the company's products was launched this week. Bio-Isolates rallied 13 to 268p.

Glaxo up £1

Pharmaceutical concerns figured prominently in the miscellaneous industrial leaders. Glaxo stood out with a rise of £1 to £13⅛, while Beecham closed 15 to the good at 355p and Fisons gained 7 to 437p. Elsewhere, Unilever jumped 30 to 795p and Pilkington appreciated 13 to 168p. Furniture issues staged a revival with Parker Knoll, inspired by Press comment, closing 23 higher at 208p. Gomme improved 3 to 24p as did Barget, 133p, while Stag also improved 3, to 115p, and Moben 4 to 40p. An investment recommendation helped Mettoy to rise 3 to 14p and the Deferred closed the same amount up at 13p. Investment buying lifted Cole 12 to 178p and London and Liverpool Trust 7 to 352p. Revived bid hopes in the wake of the announcement that Mr James O'Hara is the mystery holder of a near-14 per cent stake in the company left Avon Rubber holding a rise of 7 on the day at 100p.

Associated Leisure firmed 3 to 131p on the £1.7m sale of Berwick Holiday Centre, while Pleasurama advanced 15 to 480p awaiting today's preliminary results. Trident TV put on 4½ to 69½p; the annual results are due on January 18.

Reliant Motor, usually one of the more staid performers in the Unlisted Securities Market, advanced 6 to 21p, after 23p, following a mention in a provincial newspaper couled with the chairman's encouraging remarks in the annual report. Elsewhere, Distributors attracted renewed, if scattered, interest. Caffyns, 118p, and Godfrey Davis, 89p, rose 6 and 4 respectively. Ford dealers Harold Perry also improved 2 to 91p; the company has purchased a General Motors franchise in Doncaster.

A Press tip prompted support of specialist printers, McCorquodale, which rose 13 to 233p, after 236p. Allied International Designers put on 6 to 70p for a similar reason.

Properties attracted sporadic support and closed with moderate gains. Land Securities firmed 5 to 286p, as did MEPC, to 197p. Percy Bilton rose 10 for a two-day gain of 26 to 210p; the founder-chairman died on Tuesday. Revived speculative demnad in a thin market lifted Estates and Agency 15 to 145p, while a flurry of buying left Stewart Nairn up 9¼ more at 75½p.

Oils revive

Oil shares staged a useful revival, although the placing of 5.63m new Ordinary shares in British Petroleum overshadowed the market for a while. Taking a lead from the overnight advance on Wall Street, quotations were opened higher. The subsequent BP placing, however, saw prices ease back before rallying on investment support. BP settled with a gain of 6 at 302p, after 306p, and Shell ended 8 higher at 422p, after 426p. Lasmo put on 8 to 293p and Tricentrol were noteworthy for a rise of 10 to 166p.

Trusts made progress on a broad front, gains of 10 being recorded in Alliance, 390p, and Gresham House, 220p. Japanese issues to mova ahead included Crescent, 428p, up 15, and GT, 14 to the good at 437p. Among Textiles again provided a couple of outstanding movements. Tomkinsons, the subject of favourable Press comment, were particularly good at 190p, up 30, while UU rose 6 to 32p and Highams 10 to 73p, the last-mentioned following the cash offer of 75p per share from Largs. Nottingham Manufacturing put on 4 to record a two-day gain of 16 at 214p. Carrington Viyella, currently in receipt of an offer from Vontona, hardened a fraction to 8½p.

Record Gold Index

South African Golds rose to their best-ever levels and the other major sectors of mining markets raced ahead to 1982-83 highs yesterday reflecting the overnight surge on Wall Street, strong gains in UK markets and another firm showing by precious and base-metal prices.

Although Golds touched record levels they were overshadowed by the performance of Platinums which surged ahead in the wake of persistent and substential American buying in a market short of stock.

The upsurge was given an additional boost by news that Impala has raised its producer price for palladium to $130 an ounce from $110. Lydenburg produced the best performance advancing 57 to 305p, while Impala added 50 at 540p and Rustenburg 55 at 415p.

Excepting Randfontein, which advanced £3½ to £80¾, the top-quality gold heavyweights were outperformed by the highly-geared marginala which responded to speculative London buying.

Leslie jumped 36 to 270p, Loraine 28 to 450p and East Daggafontein 21 to 169p. The Gold Mines index rose 17.4 to a record 569.6, while bullion closed $7 higher at $456.6 an ounce.

New highs for 1982-83 were common throughout Financials. In South Africans, De Beers advanced 20 to 314p helped by Press mention, while Anglo American Corporation rose ½ to £10 and Gencor ¼ to £14. The UK-domicilised issues showed RTZ and Gold Fields up around 13 apiece at 480p and 505p respectively while Charter rose 7 to 240p.

The top-ranking base-metal producers replaced Golds as the best performers in a buoyant Australian sector. Western Mining jumped 18 to 225p, Peko-Wallsend a like amount to 374p and MIM Holdings 12 to 231p. The London-registered Hampton Areas closed 14 better at a 1982-1983 high of 214p.

Australian Golds provided a lone feature in Poseidon, which moved up 12 to 372p. Among the speculatives, Mount Carrington hardened 2 to 40p, Whim Creek 3 to 71p and Haoma Northwest 1½ to 17p.

Operators returned to Traded Options with a vengeaoce and 3,275 cootracts were done—the highest since expiry day last November. Call business was widely-spread among those in issue. RTZ and Commercial Union recorded 426 and 386 calls respectively while 354 were done in Grand Metropolitan. BP attracted an active two-way trade with 402 calls and 213 puts transacted. Most premium increases tended to mirror the gains in the underlying securities, with Shell January 390 calls 8 dearer at 38p, and Courtaulds January 70 calls 3 up at 9p.

FINANCIAL TIMES STOCK INDICES

	Jan. 6	Jan. 4	Dec. 31	Dec. 30	Dec. 29	Dec. 24	A year ago
Government Secs.	81.32	81.45	81.19	81.70	81.78	80.33	61.80
Fixed Interest	82.26	82.11	81.93	82.18	82.09	81.62	62.83
Industrial Ord	612.7	598.8	596.7	593.5	593.7	590.2	518.1
Gold Mines	569.6	552.2	556.5	560.2	558.9	536.3	302.0
Ord. Div. Yield	4.89	5.02	5.05	5.07	5.07	5.09	5.76
Earnings, Yld.% (full)	10.53	10.82	10.88	10.92	10.92	10.96	10.12
P/E Ratio (net) (*)	11.40	11.09	11.03	10.98	10.99	10.96	12.62
Total bargains	21,006	15,185	18,003	14,758	12,767	7,555	15,590
Equity turnover £m.	—	118.26	79.26	143.26	82.84	60.06	90.6
Equity bargains	—	14,648	11,442	12,272	8,577	5,928	12,310
Shares traded (ml)	—	85.2	69.1	110.3	64.8	42.2	76.5

10 am 608.8. 11 am 609.1. Noon 609.0. 1 pm 608.5. 2 pm 609.5. 3 pm 610.2.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1055. SE Activity 1974.

Latest Index 01-246 8026.

Nil=10.59.

HIGHS AND LOWS

	1982/3 High	1982/3 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	85.94 (5/11)	61.89 (5/1/82)	127.4 (9/1/35)	40.18 (3/1/75)
Fixed Int.	87.02 (12/11)	62.79 (7/1/82)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	637.4 (12/11)	518.1 (5/1/82)	637.4 (12/11/82)	49.4 (26/6/40)
Gold Mines	569.6 (5/1/83)	181.2 (22/6)	569.6 (5/1/83)	43.5 (28/10/71)

S.E. ACTIVITY

	Jan. 4	Dec. 31
—Daily Gilt Edged Bargains	130.8	98.5
Equities Bargains	94.9	74.1
Equities Value	235.0	160.2
5-day Avrge Gilt-Edged Bargains	110.7	112.9
Equities Bargains	75.0	71.6
Equities Value	194.7	202.9

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed Jan 5 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tue Jan 4 Index No.	Fri Dec 31 Index No.	Thur Dec 30 Index No.	Wed Dec 29 Index No.	Year ago (approx.) Index No.
1 CAPITAL GOODS (208)	438.75	+2.0	9.12	3.91	13.64	429.99	429.44	427.19	427.74	351.70
2 Building Materials (24)	417.49	+3.4	10.15	4.51	11.85	403.81	402.34	400.99	398.40	299.65
3 Contracting, Construction (30)	743.66	+1.8	11.85	4.43	10.06	730.40	731.37	730.00	734.37	531.31
4 Electricals (32)	1735.07	+2.2	6.00	1.99	18.62	1697.67	1698.07	1681.09	1687.33	1238.13
5 Engineering Contractors (10)	434.29	+0.7	15.89	7.37	7.65	431.37	431.28	434.12	437.72	490.68
6 Mechanical Engineering (66)	195.88	+0.9	12.32	6.04	9.93	194.04	193.53	194.15	194.23	188.63
8 Metals and Metal Forming (11)	151.71	+2.8	14.27	8.20	8.42	147.60	147.65	146.36	146.88	160.51
9 Motors (18)	78.49	+1.5	1.60	7.93	—	77.34	77.41	77.40	77.31	92.62
10 Other Industrial Materials (17)	368.90	+1.0	9.50	8.78	13.11	365.35	362.82	361.78	360.56	365.84
21 CONSUMER GROUP (201)	411.75	+1.9	10.13	4.28	11.96	403.95	402.85	401.42	401.81	265.59
22 Brewers and Distillers (23)	454.37	+0.8	11.10	4.70	11.01	450.96	450.16	453.28	452.47	266.31
25 Food Manufacturing (21)	329.01	+1.7	13.72	5.53	8.53	323.67	323.11	322.17	322.81	261.73
26 Food Retailing (14)	871.80	+2.1	7.12	2.69	17.62	860.34	859.53	860.74	861.72	545.79
27 Health and Household Products (8)	699.83	+5.1	5.64	2.60	21.05	666.69	663.81	662.57	663.11	330.70
29 Leisure (24)	479.72	+1.7	8.95	4.88	14.22	465.81	464.12	461.00	458.71	418.53
32 Newspapers, Publishing (13)	622.63	+0.5	10.25	5.21	12.23	619.26	626.86	627.65	627.90	474.61
33 Packaging and Paper (14)	142.12	+1.7	15.41	7.80	7.67	139.78	141.21	138.97	139.01	150.74
34 Stores (47)	386.80	+1.2	7.85	3.55	16.81	382.28	379.28	376.97	378.00	238.82
35 Textiles (23)	177.47	+2.3	13.39	6.04	9.05	173.52	171.44	171.29	170.89	152.91
36 Tobaccos (3)	458.49	+1.6	19.13	6.04	5.78	451.20	444.79	444.79	447.75	253.74
39 Other Consumer (11)	348.16	+1.8	2.42	3.92	—	342.02	334.21	333.76	328.53	252.98
41 OTHER GROUPS (77)	295.07	+0.8	11.65	5.66	10.34	292.67	291.11	289.30	287.87	228.80
42 Chemicals (15)	392.75	+0.5	12.27	6.36	9.73	390.84	387.16	383.05	379.48	297.89
44 Office Equipment (5)	83.39	+2.5	16.43	8.85	7.47	81.37	80.95	81.71	81.53	117.66
45 Shipping and Transport (13)	525.95	+1.0	16.47	8.09	7.23	520.64	520.98	511.51	506.54	515.46
46 Miscellaneous (44)	418.66	+0.9	9.56	4.36	12.74	414.99	413.68	413.11	413.02	289.92
49 INDUSTRIAL GROUP (486)	405.40	+1.8	9.97	4.32	12.24	398.12	396.68	395.34	395.80	289.79
51 Oils (14)	714.24	+1.9	17.73	8.09	6.65	700.63	700.81	704.19	711.07	719.41
59 500 SHARE INDEX	430.93	+1.8	11.06	4.86	10.94	423.13	421.83	420.89	421.51	324.65
61 FINANCIAL GROUP (121)	271.07	+1.4	—	6.31	—	267.24	267.35	267.34	267.34	249.34
62 Banks (6)	276.10	+1.0	36.52	8.74	2.99	273.40	276.91	274.95	279.61	200.96
63 Discount Houses (8)	295.27	+0.6	—	8.02	—	293.50	291.03	289.99	284.98	200.86
65 Insurance (Life) (9)	356.23	+0.5	—	5.38	—	354.55	356.90	355.68	354.34	246.82
66 Insurance (Composite) (10)	179.62	+2.8	—	7.92	—	174.73	174.74	174.00	173.85	140.56
67 Insurance Brokers (7)	493.92	+0.7	13.02	5.52	10.60	490.29	489.98	488.50	487.65	413.86
68 Merchant Banks (13)	156.60	+1.7	—	5.51	—	154.01	152.21	151.82	151.68	153.24
69 Property (54)	420.26	+1.4	6.13	4.24	21.53	414.40	413.25	414.23	411.94	443.82
70 Other Financial (14)	186.10	+1.6	14.90	6.25	7.96	183.25	183.38	181.14	180.72	175.10
71 Investment Trusts (109)	366.50	+1.6	—	4.59	—	360.84	358.26	358.12	356.27	283.59
81 Mining Finance (4)	247.61	+2.7	8.29	5.74	16.15	241.18	236.76	235.93	230.30	220.84
91 Overseas Traders (16)	397.36	+2.4	12.50	9.11	10.40	387.83	389.53	388.52	384.87	399.21
99 ALL-SHARE INDEX (750)	390.10	+1.8	—	5.16	—	383.25	382.22	381.39	381.54	387.11

FIXED INTEREST

PRICE INDICES	Wed Jan 5	Day's change %	Tue Jan 4	xd adj. today	xd adj. 1983 to date
British Government					
1 5 years	118.07	+0.04	118.02	—	0.00
2 5-15 years	129.68	−0.25	130.00	—	0.00
3 Over 15 years	136.67	−0.26	137.03	—	0.00
4 Irredeemables	143.46	—	143.46	—	0.00
5 All Stocks	128.06	−0.17	128.27	—	0.00
6 Debentures and Loans	101.83	−0.03	101.86	—	0.00
7 Preference	75.92	+0.02	75.91	—	0.00

AVERAGE GROSS REDEMPTION YIELDS		Wed Jan 5	Tue Jan 4	Year ago (approx.)
British Government				
1 Low Coupons	5 years	9.69	9.71	13.49
2	15 years	9.96	9.89	14.28
3	25 years	10.24	10.20	14.14
4 Medium Coupons	5 years	11.10	11.06	16.40
5	15 years	11.15	11.10	16.10
6	25 years	10.70	10.67	15.44
7 High Coupons	5 years	11.20	11.17	16.23
8	15 years	11.37	11.33	16.28
9	25 years	10.91	10.90	15.71
10 Irredeemables†		10.25	10.25	13.61
11 Debs & Loans	5 years	12.39	12.50	16.90
12	15 years	12.30	12.30	16.69
13	25 years	12.30	12.50	16.57
14 Preference†		13.07	13.07	16.23

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan 10	Jan 21	Apr 21	May 3
Jan 24	Feb 4	May 5	May 16
Feb 7	Feb 18	May 19	May 31

For rate indications see end of Share Information Service

Calls were arranged in Marks and Spencer, ICL, UBM, Mellins, Stewart Nairn, Marlborough Properties, Kia Ora, Lennons, KCA International, Charterhall, Turner and Newall, Stylo, Britoil, London and Liverpool, John Brown, Whittington Estates, Mills and Allen, Arthur Guinness, London Investment Trust and Bougainville. No puts were reported, although a double was taken out in Vantona.

NEW HIGHS AND LOWS FOR 1982/83

NEW HIGHS (255)

BRITISH FUNDS (3)
FOREIGN BONDS (1)
AMERICANS (3)
CANADIANS (1)
BANKS (2)
BREWERS (4)
BUILDINGS (11)
CHEMICALS (2)
DRAPERY & STORES (4)
ELECTRICALS (13)
ENGINEERING (3)
FOODS (5)
HOTELS (2)
INDUSTRIALS (20)
INSURANCE (1)
LEISURE (2)
MOTORS (7)
PAPER (2)
PROPERTY (3)
SHIPPING (1)
SOUTH AFRICANS (3)
TEXTILES (6)
TRUSTS (104)
OIL & GAS (3)
OVERSEAS TRADERS (2)
MINES (47)

NEW LOWS (8)

ENGINEERING (1)
Bevan (D. F.)
INDUSTRIALS (3)
AIM Reed Int.
Metal Closures
LEISURE (1)
Fairline Boats
OIL & GAS (3)
Carless Capel Saxon
Falmouth Pet.

RISES AND FALLS YESTERDAY

RISES AND FALLS YESTERDAY	Rises	Falls	Same
British Funds	16	63	13
Corpns., Dom. and Foreign Bonds	10	5	58
Industrials	437	113	775
Financial and Prop.	258	12	247
Oils	40	9	61
Plantations	3	2	18
Mines	96	3	49
Others	89	26	61
Totals	949	238	1,287

STOCK EXCHANGE BUSINESS IN 1982

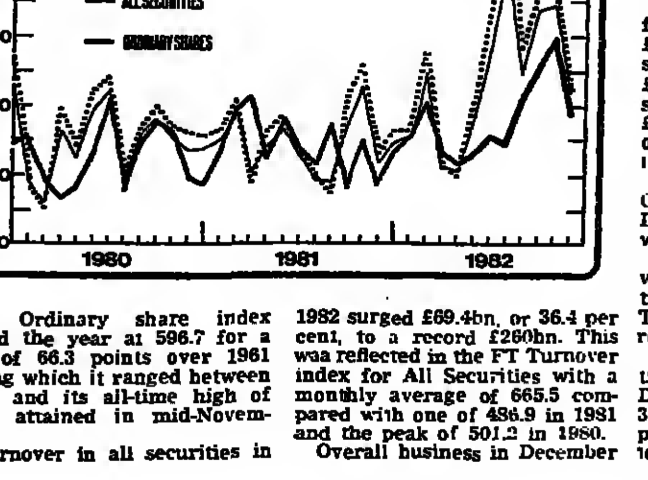
Record turnover in all sectors

BY NIGEL SPALL

STOCK EXCHANGE turnover in 1982 was at peak levels with turnover in gilt-edged up 38.2 per cent on 1981. In 1982, £11bn of new government stock was issued, approximately the same as in 1981 but still well below the 1980 record of £17.05bn.

The number of bargains transacted in British Funds was up by 127,031 over the year to 1,076,518 and the monthly average of the Financial Times Turnover index for Government Securities was 717.3 compared with the 1981 average of 515.1.

Turnover in ordinary shares was also a record. Business here increased by 15.5 per cent to £37.4bn, but the number of bargains transacted in ordinary shares during the year was marginally lower at 3.88m and well down on the peak of 6.7m recorded in 1972. The average value per equity bargain in the year was £9,702, while the Financial Times Turnover Index for ordinary shares in 1982 registered a monthly average of 556.3 against the previous year's 481.6.



The Financial Times Industrial Ordinary share index closed the year at 596.7 for a rise of 66.3 points over 1981 during which it ranged between 518.1 and its all-time high of 637.4 attained in mid-November.

Turnover in all securities in 1982 surged £69.4bn, or 36.4 per cent, to a record £260bn. This was reflected in the FT Turnover index for All Securities with a monthly average of 665.5 compared with one of 486.9 in 1981 and the peak of 501.2 in 1980.

Overall business in December was only slightly below the 1982 monthly average despite seasonal influences.

Turnover in all securities during the month fell by £7.83bn to £21.11bn with the FT Turnover index down from November's 886.8 to 646.8. The all-time high of 1,007.0 was recorded in August.

Business in gilt-edged dropped from November's £21.68bn to £15.41bn. Trade in short-dated stocks contracted by £2.26bn to £7.13bn and in longer dated stocks and irredeemables by £4.01bn to £8.28bn. The number of bargains in gilts fell by 33,476 to 74,564.

The FT Turnover index for Government Securities in December was 652.3 compared with November's 917.5.

Business in ordinary shares was down from November's all time high of £4.46bn to £3.27bn. The year's low of £2.46bn was recorded in May.

The number of bargains transacted in equities in December fell by 95,454 to 334,124 and the average value per bargain was down by £600 to £9,600.

Associate Leisure sells centre for £1.7m

Associated Leisure has sold the Berwick Holiday Centre for some £1.7m, which approximates to the net asset value. In the year ended March 14 1982 the Centre made a profit of £220,000 before tax.

Associated says the funds will be utilised for the expansion of its existing divisions of amusement machines, hotels and coach based holidays.

The purchaser is the Bourne Leisure Group, a private company which already controls 14 holiday caravan parks. It has paid £340,000 on completion and the balance remains on a mortgage repayable in equal annual instalments over the next four years with interest at 8 per cent on the outstanding balances.

Associated also announces that the remaining 35 per cent interest in Runnymede Hotel (Egham), part of its hotel division, has now been acquired from Mogfords in terms of the original agreement of 1978.

PILKINGTON BUYS U.S. HOLDING

Pilkington Brothers has acquired 3,328,300 common stock shares in Libbey-Owens-Ford from Gulf and Western Industries Inc for U.S.$108m on December 30, 1982, in accordance with the agreement announced on October 1.

The acquisition is still subject to review by the U.S. Federal Trade Commission. Pending this review, the shares are being held in trust on behalf of Pilkington.

CHANGE WARES

Change Wares, having acquired the commercial catering equipment distribution business of IFES International of Miami, Florida, has changed its name to Bastian International. The company distributes products for the U.S. company Bastian International Holdings Group.

Several new board appointments have been made, including Mr Victor de Jong to group managing director. He has substantial experience in the U.S. commercial catering equipment industry.

JENKS & CATTELL

Jenks & Cattell has sold Strathclyde Sawmills to May & Hassell for £26,000. The disposal also releases £0.6m of borrowings from Jenks' balance sheet which, along with the other recent sale of Sharp Bros & Knight, has cut Jenks' debt from £6m to £2¼m.

SIEBE GORMAN

Siebe Gorman has approved the acquisition of a controlling interest in Siebe Norton, Inc., details of which were announced on December 20 1982, at an EGM.

Listing of shares to be issued in consideration of the acquisition of shares in Siebe Norton, Inc., has been granted.

Completion of the proposed acquisition is expected on January 10.

TRUSTS TO ACQUIRE 28.5% OF MERRION

National and Foreign Securities Trust and the Ailsa Investment Trust are to acquire a 28.5 per cent shareholding in Merrion Security Systems. They have agreed to invest £150,000 in Merrion, which was formed in June 1982 and is on target for £1.3m turnover within its first year of trading. Turnover of £3m is predicted for the 1983-84 year.

NEEPSEND

Neepsend has sold the whole of its subsidiary Moss and Gamble Bros. and not 51 per cent of the shares as previously mentioned.

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price p	+ or −	Net Div.	Times Covered	Gross Yield	P/E Ratio
‡‡	F.P.	—	258	250	AMEC (50p)	258	+7	g9.0	—	5.0	—
§108	F.P.	13/1	156	140	✤Baltic Leasing 5p	155	−5	b2.8	3.5	2.6	12.0
§75	F.P.	10/1	145	115	✤Bespak 10p	136		b2.5	3.6	2.6	12.0
[illegible]	F.P.	—	15	12	✤Booth (Charles) 5p	15		—	—	—	—
§100	F.P.	22/4	102	100	Br. Kidney Pat. As.	102		—	—	—	—
*215	100p	22/4	84	60	Antoil 10p	63	+3				
§74	F.P.	21/1	127	103	✤Convermoor	127	+1e	b5.64	0.0	4.1	14.4
80	F.P.	12/11	102	63	✤Ciro 10p	105		eu3.97	1.0	5.4	15.4
25	F.P.	—	40	27	✤FirstTalismanInv20	30		b0.8	2.0	0.7	28.1
§150	F.P.	26/11	250	215	✤Fitch&Co. 10p	225	−2	b4.2	1.0	2.7	28.1
55	F.P.	7/1	133	98	✤GarfunkelnRest.10p	105		b1.86	3.2	2.5	13.7
§52	F.P.	7/1	84	66	✤Indust'l Fin & Inv Gp	80		u2.0	0.5	3.6	12.9
*17	F.P.	21/1	35	24	✤Inn Leisure 5p	35		ud.48	3.7	1.7	11.5
§130	F.P.	14/1	180	155	✤Memory Comp'r 10p	155		bQ26.81	5.6	1.5	16.9
§120	F.P.	30/12	235	105	✤Micro Bus. Sys. 10p	200	+5	b2.25	5.4	1.6	13.9
‡155	F.P.	7/1	255	200	✤Munford & White	222		02.6	2.4	1.7	35.1
[illegible]	F.P.	—	175	149	✤NMW Computers	157	+2	03.0	2.8	2.7	18.0
60	F.P.	1/10	152	80	✤PinappleDnceS1'n10p	152	+2	1d1.6	—	1.4	37.5
§95	F.P.	4.2	188	145	✤Resource Tech. 10p	195	+15	—	—	—	37.5
525	F.P.	14/1	217	143	S.T.C. 'New'	206	+6	b6.0	1.0	4.2	17.0
§52½	F.P.	21/12	150	102	✤SlatersFoodPrdn10p	150	+8	b2.0	5.e	1.9	16.8
§120	F.P.	—	125	118	✤Swindon Priv Hos £1	112					
‡‡210	F.P.	17/12	305	275	SystemsDesign'rs 10p	290	+3	b2.2	5.5	1.1	37.2
£355	F.P.	3/12	£375	£350	✤Technofen SA Fr100	£350		uFr150	2.0	6.2	13.5
§10½	F.P.	—	20	16	✤Tops Estates 10p	26	−2				
‡‡	F.P.	18/2	195	190	Transcont. serv. 50c.	190		H6.7	—	5.0	—
§80	F.P.	—	87	55	††Voyager Pet. (UK)	55		—	—	—	—
£0.84	F.P.	18/11	69	62	✤Woodchester Invs.	70		bQ1.n	4.1	4.5	5.8

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price £	+ or −
‡‡	F.P.	—	108	102	AMEC 15% Uns. Ln. 1992	108	+1½
97.504	£25	4/5	29½	25¼	BOC 12½% Uns. Ln. 2012-17	25	−¼
99.431	£30	10/4	21⅝	14¾	Birmingham 11½% Red. 2012	16½	−⅛
96.574	£25	29/4	26¼	25½	Bishopsgate Tst. 7-17½ Stpd Deb 2025	26¼	..
100	£10	24/1a	11	9½	Cambridge Water Works 7% Red Prf'88	9½	..
‡‡	F.P.	4/2	94	88	Espley Tyas 11% Conv. Uns. Ln. 1988	88	−1
97.91	£30	—	32	18¾	European Inv. Bk. 11% Ln. 2002	23	..
99.637	£30	25/e	30¼	24	Inter-American Dev. Bk. 12½% Ln. 2003	26¼	−¼
‡‡	F.P.	—	35p	30p	Jessel Toynbee 3.75% Red Cum. Prnf.	35p	..
‡‡	F.P.	—	43	42	Keep Inv.Tst. 4.9% Nel.Red.Cum.Pref.	42¼	..
99.790	£25	51/5	25½	23½	London Shop 12.5% Ist Mt. Deb. 2015-20	25	−¼
99.13	£25	51/6	24⅛	22	NatWest 12½% Sub. ord Unn Ln. 2004	24¼	..
—	—	—	98¾	98⅛	Nationwide Bg.Soc. 9½% Bds. 28.11.83	98⅛	..
—	—	—	100¼	100	Do. 11¼% Bds. 13.12.83	100¼	..
§99.708	£30	8e a	30¼	27⅝	Scottish Eastern Inv. Tst 12% Deo. 2012	30¼	−¼
‖100	F.P.	25.4	124	107	Tesco 9% Cnv. Uns. Ln. 2002-07	115	+2
‡‡	F.P.	18.8	85	86	Transcont. 0% Cnv.Rol.Uns.Ln.Nts.1995	85	..

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ■	1982/3 High	1982/3 Low	Stock	Closing price p	+ or −
60	Nil	14/1	11/0	10½pm	8pm	ICL	0½pm	−1
117	F.P.	31/12	51/1	145	150	½ Park Place Inv	144½	..
470	Nil	11/1	11/a	64pm	55pm	Wolseley-Hughes	64pm	..

Renunciation date usually last day for dealing free of stamp duty. Fr French Francs. *b* Figures based on prospectus estimate. *d* Dividend rate paid or payable on part of capital: cover based on dividend on full capital. *g* Assumed dividend and yield. *t* Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. H Dividend and yield based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. ✪ Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✤ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Formerly dealt in under special rule. ◆ Merger bid or reorganisation in progress.

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Tues. close	Day's change	Stock	No. of changes	Tues. close	Day's change
UDS	23	95	+ 8	Tozer Kemsley	12	27	+ 1
Banlox	14	41	+ 8	Vaal Reefs	12	£69	− ⅞
East Rand Prop	14	£13⅞	+ ½	Hoover "A"	11	120	+13
Bilton	13	200	+16	MFI	11	160	+ 9
Aitken Hume	12	375	+20	Arlen Elec.	10	172	− 3
Orislontein	12	£20⅝	+ ½	Comb. Tech.	10	69	+ 1
Mellins	12	111	− 4	Security Cntrs	10	263	+ 3

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Berran Dev.	494	+12	Impala Plat.	540	+50
BP	302	+ 6	Leslie Gold	270	+36
Combined Tech.	67	− 2	Parker Knoll "A"	208	+23
Fidelity Radio	103	+22	RTZ	480	+12
Forward Tech.	36	+ 7	Ruberoid	232	+27
Glaxo	£13⅛	+ 1	Security Centres	283	+20

BUSINESS LAW

Two captains courageous

BY A. H. HERMANN, Legal Correspondent

THE FISHING expedition of Mr Kent Kirk, an EMP and a captain courageous from the Danish port of Esbjerg, recalls to mind a similar expedition undertaken in 1978 by Jack Noble Kerr, master of the Goth, a trawler owned by British United Trawlers (Grimsby), to the territorial waters of Greenland. He was arrested by a Danish inspection vessel, fined DKr 80,000, and his catch was confiscated.

The case against him was in due course referred to the European Court in Luxembourg, which handed down its decision* on November 30 1982—in good time to serve as a precedent for whatever might be the legal case against Mr Kirk and/or other Danish fishermen who might be caught within the prohibited zone close to British shores.

Fisheries are a perennial EEC problem, which has caused much difficulty already in the first, misfired, round of negotiations for accession. The fear of losing a privileged position in its national waters was one of the reasons why Norway decided against joining the EEC. The problem became even more serious when the extension of the exclusive fisheries rights to 200 miles became generally acceptable. This barred access to the richest fishing grounds of the world.

The EEC decided to establish a 200-mile fishing zone along the coast of the member states, except in the Mediterranean. This created a common EEC fishing zone in the North Sea and in the North Atlantic, as from January 1977. The Hague Resolution of the Council, adopted shortly before, established the main guidelines for the regulation of fishing within the EEC zone and for the negotiations with non-EEC countries.

The Hague Resolution provided that conservation measures should be a matter for the Community to decide, but before an agreement had been reached member states could adopt non-discriminatory measures for the protection of fishing resources in the fishing zones bordering their coasts. A member state intending to adopt such measures should first seek the approval of the EEC Commission and consult with it at every stage of the procedure.

The resolution left untouched provisions laid down in the Treaty of Accession for the protection of coastal fisheries within the 12-mile limit for the benefit of people directly or indirectly dependent on coastal fishing. These provisions were for 10 years to expire at the end of 1982; but Article 103 of the Treaty of Accession provided for the possibility of their prolongation, referring to the "measures which might follow the exceptional provisions expiring on the 31 December 1982."

The Danes' victory in the European Court last November may now be turned against them

Such extension of the exclusive rights for local fishermen was agreed by all the members of the Community except Denmark, as part of a package, also including global fishing quotas for each member state. The British quota would be 36 per cent, the highest of all, but not too high considering that some 60 per cent of all fish reserves are in the British part of the EEC fishing zone. The *quota proposed for Denmark* is 23 per cent which, according to the Danes, is not enough to satisfy the needs of their fish processing industry, producing fodder for animals.

If Mr Kirk succeeds in getting arrested in British territorial waters, he will, no doubt, ask that any criminal prosecution against him be referred to the European Court. Should this happen, the court would be asked to say whether Britain can take conservation measures and measures for the protection of local fishermen on its own and whether arresting and fining Mr Kirk did not infringe Article 7 of the EEC Treaty, which prohibits discrimination of other nationals in general, and of Regulations No 100/76 and 111/76, which safeguard equal access to fisheries to all member countries.

The European Court does not feel bound by its previous decisions, but it can hardly ignore what it said shortly before Christmas with regard to Mr Kerr's fishing expedition to Greenland. In that case it had to deal with quotas imposed unilaterally by Denmark on the fishing of shrimps within the 12-mile coastal zone of Greenland. These quotas were established on the basis of catches in the years 1970-77.

Canada, Denmark, France and Norway, as well as Greenland and the Faroe Islands, received a quota but not the UK. The UK authorities, which did not recognise the unilateral Danish measure, gave Mr Kerr a licence to fish for shrimps in Greenland's waters up to a total of 475 tonnes.

When ultimately the case came to Luxembourg, the British Government, in its Observations, argued that the Danish measures were approved by the EEC Commission only in November 1978 after the arrest of and fining of Mr Kerr, and *that the arrest was an act* of discrimination based on nationality, contrary to Article 7 of the EEC Treaty, Regulation 101/76 the Hague Resolution of 1976 and the Declaration of the Council adopted in 1978. Moreover, the British Government argued, the EEC Commission had no powers to exempt a member state from obligations imposed by the EEC Treaty.

The European Court rejected these arguments and, accepting the views of France and of the Commission, held:

"'. . . it is necessary to recognise that the Danish Government was faced with the need to take an efficient and practical protective measure in a maritime zone for which it had direct responsibility. In deciding on this measure, it took into account the proposals made at the time by the EEC Commission for all the waters within the jurisdiction of member states—proposals which were inspired by a wish to achieve a global balance between the interests of fishermen of all member states. *The Danish Government* has observed the procedure for prior consultation prescribed by the Hague Resolution.

"Examination of the method applied reveals that the Danish *authorities based the allocation* of resources on objective criteria, taking into account on the one hand the need of the coastal population and on the other hand the maintenance of a situation established in the region even though the discovery and exploitation of that fishing zone were only of recent date.

"Under these conditions, and taking into account the state of the law as it *existed* during the transitional period, the allocation of quotas resulting from the Danish measures cannot be viewed as discrimination based on nationality and contrary to Article 7 of the EEC Treaty and to the provisions of Articles 1 and 2, para 1 of Regulation No 101/76."

It all seems to be there: far from being prohibited, the possibility of extending the coastal regime beyond 1982 was foreseen in the Treaty of Accession. The preference given to local fishermen and the taking into account of traditional fishing activities (Danish *trawlers were rarely seen in* British coastal waters) did not, as the court said, offend against the principle of non-discrimination; and as to seeking prior approval by the EEC Commission, the British Government has done even better: it followed the Commission's own proposals.

**Case 287/81, Danish criminal proceedings against Jack Noble Kerr, unreported.*

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3 01-623 1288

Black Horse Man. Fd		211.97		—
Managed Inv. Fd.	144.63	152.25		—
Property Fd.	144.01	151.59		—
Fixed Interest Fd.	134.31	141.38		—
Cash Fd.	129.93	136.77		—
Income Fd.	136.87	144.08		—
Extra Income Fd.	128.55	135.32		—
Worldwide Growth Fd.	175.31	184.54		—
Balanced Fd.	153.18	161.25		—
Smlr Co's & Recn. Fd.	157.86	166.17		—
Int. Technology Fd.	196.02	206.38		—
Nth. Amer. & Gen. Fd.	127.42	134.13		—
Energy Int. Fd.	83.24	87.62		—
Pacific Basin Fund	305.24	330.78		—

British National Life Assurance Co. Ltd.
British National Hse., Haywards Heath. 0444 414111

Equity	95.0	100.0		—
International	95.0	100.0		—
Property	95.0	100.0		—
Deposit	95.0	100.0		—
Fixed Interest	95.0	100.0		—
Managed	95.0	100.0		—
Equity Pens Cap.	95.0	100.0		—
Intnl. Pens. Cap.	95.0	100.0		—
Property Pens Cap.	95.0	100.0		—
Deposit Pens Cap.	95.0	100.0		—
Fixed Int Pens Cap.	95.0	100.0		—
Managed Pens Cap.	95.0	100.0		—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth. Dec. 1		93.2		—
Rent. Fed. Dec 6		197.3		—
Managed Pen Fund	164.1	172.8	+4.2	—
Property Pen Fund	109.3	115.0	-1.9	—
Index Lnkd Pen Fund	115.9	122.0	+1.7	—
Managed	106.0	111.6	+1.1	—
Property	97.6	102.8		—
Gilt and Fixed Interest	98.5	103.7	+0.4	—
Index-Linked	100.6	105.9	+0.2	—
Equity	106.0	111.6	+1.8	—
Cash	97.1	102.3	+0.7	—
Midland Bk. Unit Tst.	101.8	107.2	-0.2	—

General Portfolio Life Ins. C. Ltd.
Cranbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		214.4		—
Portfolio Fd. Inst.		183.3		—
Portfolio Fd. Cap.		208.1		—
Portfolio Man. Acc	65.0	68.8		—
Portfolio Man. Int.	58.3	61.4		—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance		1,425		—
Landbank Secs.		64.03		—
Landbank Scs. Acc.	173.3	177.8		—
G. & S. Super Fd.		£10.734		—

Guardian Royal Exchange
Royal Exchange, E.C.3. 01-283 7101

Guardian Assurance

Property Bonds	298.6	311.0		—

GRE Linked Assurance Limited

Managed Initial	179.3	188.8	+0.8	—
Do. Accum.	195.6	205.9	+0.8	—
Equity Initial	228.3	240.3	+3.4	—
Do. Accum.	249.0	262.1	+3.9	—
Fixed Int. Initial	179.9	189.4	+0.5	—
Do. Accum.	195.2	205.5	+0.6	—
International Initial	169.7	178.6	+1.3	—
Do. Accum.	185.1	194.8	+0.0	—
Property Initial	121.2	127.6		—
Do. Accum.	132.2	139.2		—
Deposit Initial	119.3	125.5		—
Do. Accum.	130.1	136.9	+0.1	—

GRE Pensions Management Ltd.

Pens. Managed Initial	175.0	184.2	+1.8	—
Pens. Managed Acc.	186.6	196.4	+2.0	—
Pens. Equity Initial	203.5	214.2	+3.7	—
Pens. Equity Acc.	217.0	228.4	+4.0	—
Pens. Fxd. Int. Initial	177.4	186.7	+0.6	—
Pens. Fixed Int. Acc.	189.1	199.0	+0.6	—
Pens. Int'l Initial	156.3	164.5	+4.9	—
Pens. Int'l Acc.	166.6	175.4	+5.3	—
Pens. Prop. Initial	121.0	127.4		—
Pens. Prop. Acc.	129.0	135.8		—
Pens. Depos. Initial	129.3	136.2	+0.2	—
Pens. Depos. Acc.	137.9	145.2	+0.3	—

[illegible]

OFFSHORE AND OVERSEAS

[illegible]

Westavon Secs. (Guernsey) Ltd
PO Box 214, St Peter Port, Guernsey 0481 27768

Gilt & Option Fd	98.0	103.0	+2.0	3.00

World Wide Growth Management◊
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$11.13		+0.06	—

Inv. Adv. M & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St George's St., Douglas IoM 0624 25015

Wren Com. Fund	30.9	32.2		3.10
Chinese Fund	56.5	58.8		1.70
Precious Metal Fund	141.1	146.7		0.30
Vanguard Cmdy. Fd.	40.7	41.7		2.76
Financial Futures Fd.	131.1	136.4		—
Wren Intl Fnd.*	$0.844	0.879		—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yield % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. ø Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ◊ Yield column shows annualised rate of NAV increase.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1982/83 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99⅛	97	Exch 3pc 1983	99⅛	+1/16	3.03	9.76
101¼	95¼	Treasury 12pc 1983‡‡	100⅛	.....	11.96	9.98
100⅝	92⅞	Treasury 9¼pc '83	99 11/16xd	.....	9.28	9.98
104⅝	96⅞	Exch. 13½pc '83	102 11/16	.....	13.15	10.15
101¼	91⅞	Exch. 10pc 1983	99⅞	−1/16	10.01	10.11
98¼	87⅜	Funding 5½pc '82-84‡‡	97¼xd	+⅛	5.66	8.36
103¾	91⅞	Exch. 11¼pc 1984	100⅞	−1/16	11.15	10.31
107¼	96¼	Exchequer 14pc 1984	104⅜	.....	13.41	10.49
94½	81⅛	Exch. 3pc 1984	93½	+¼	3.21	7.83
105¼	91½	Treasury 12pc 1984	102⅜		11.72	10.41
112	96¼	Treasury 15pc 1985	107 1/16	+1/16	15.94	10.79
112¼	89½	Exch. 12pc Cnv. '85	106¾	−¼	11.24	8.57
91¼	73½	Treasury 3pc 1985	89¼	+¼	3.34	7.02
105½	87½	Treasury 11½pc 1985	102¼xd	−1/16	11.25	10.49
61¼	57½	Treas.8⅞pc Cv85(£60pd)	59 11/16	−⅛	8.76	8.76
107⅞	88⅝	Exch. 12¼pc 1985	103⅜	.....	11.85	10.83
106⅝	86⅛	Exch. 11¾pc '86	102 5/16	.....	11.48	10.82
89½	69	Treasury 3pc 1986	87⅝	+⅛	3.42	7.20
107¼	86¾	Treasury 12pc '86	103⅜	.....	11.61	10.61
100	80⅛	Treasury 8¼pc '84-86‡‡	97½xd	.....	8.72	9.37
116¼	96⅜	Treas. 12¾pc '86 Cnv.	109 9/16xd	−⅛	11.17	9.00
114	91⅞	Exch. 14pc 1986	109½	−⅛	12.79	10.86
112	90	Exch. 13¼pc 1987	107 13/16xd	−⅛	12.31	10.82
—	—	Exchequer 2½pc 1987	£84	.....	2.98	7.03
103½	97	Exch. 10½pc 1987	99 13/16	−⅛	10.51	10.49
93¾	73⅞	Funding 6½pc '85-87‡‡	93¼	+⅛	6.97	8.40
85¼	64½	Treasury 3pc 1987	84⅝xd	+⅛	3.55	7.04
109	85⅝	Treas. 12pc 1987	104 5/16	..	11.51	10.83
		Five to Fifteen Years				
98	72½	Treasury 7¾pc '85-88‡‡	93xd	−¼	8.30	9.42

Five to Fifteen Years (continued) · Over Fifteen Years · Undated · Index-Linked & Variable Rate

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS
Public Board and Ind.

LOANS—Continued

1982/83 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		Financial				
103¼	95½	FFI 14pc '83	102½		13.66	11.28
94½	80	FFI(UK Fn)6¼pcDb '81-84	93		6.78	10.78
103½	82½	Do 10¾pc Uns Ln. '86	99xd	.....	10.61	10.90
105	78	Do. 11pc Uns Ln. '88	99½xd	−½	11.06	11.10
106	70	Do. 11¾pc Uns Ln '90	100½xd		11.69	11.70
108¼	82	Do 12¾pc Uns Ln 1992	105	−½	12.36	12.20
83	54	Do. 7¼pcADeb '89-92	77xd	−½	9.42	10.90
79½	53	Do 7½pcADeb. '91-94	75½	−½	9.99	11.60
90	62	Do. 9pc 'A' '91-94	96½		10.76	11.60
87¼	57⅝	Do. 8⅞pcLn. '92-97	83½	+½	11.15	11.70
		Building Societies				
102	99¼	Nat'wide 16¼pc 17.1.83	100¼xd		16.23	12.80
102⅛	100	Do. 15⅝pc 7.2.83	100⅛	...	15.60	12.75
101⅞	99⅝	Do. 14¼pc 14.3.83	100½	..	14.18	11.50
102¼	99⅝	Do. 14¼pc 4.4.83	100⅝		14.16	11.45
102⅝	100⅛	Do. 14¾pc 25.4.83	101⅛	.....	14.62	10.76
102⅞	99½	Do 13⅞pc 23.5.83	101⅛		13.72	10.93
102⅞	100⅛	Do. 13½pc 13.6.83	101⅛		13.78	11.24
102¼	100⅛	Do. 14pc 4.7.83	101⅛xd		13.79	10.96
102¼	100⅛	Do. 13¼pc 25.7.83	101⅜xd	..	12.95	10.82
101½	99½	Do. 11⅞pc 15.8.83	100⅛	.....	11.86	11.70
101	99¼	Do. 11¼pc 30.8.83	100	—	11.25	11.23
101⅛	99⅞	Do 15¼pc 3.10.83	100¼	..	11.35	11.05
100⅝	98¼	Do 9⅞pc 31.10.83	99⅛	.....	10.02	11.10

FOREIGN BONDS & RAILS

1982/83 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
17	10	Chinese 4½pc 1898	12	+1	—	—
14	11	Do. 5pc 1912	11		—	—
14	6	Do 5pc 1913	15	...	—	—
12	6	Do. 5pc '25 Boxer	8		—	—
44	42	Greek 7pc Ass.	43	.....	3½	8.25
42	40	Do. 6pc '28 Stb. Ass.	41	.....	3	7.59
38	35	Do 4pc Mixed Ass.	38	.....	2	3.27
35	25	Hung. '24 Ass.	28	.	2¼	f10.23
122	87½	Hydro Quebec 15pc Ln 2011	107xd	...	15	14.21
75	58	Iceland 6½pc '83-88	78		6½	12.90

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

BANKS & H.P.—Cont.

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
64	15½	Inter-City 20p	36	.....	—	—	—	—
197	159	Ferguson Int'l Sm 20c	168	.....	u4.0	1.8	3.4	23.5
210	145	Jacksons Bourne	208xd	.....	5.0	3.1	3.4	13.5
32	21	James (M.) Ind. 10p	22	.....	1.25	1.9	0.3	9.0
180	105	Jardine M. SHK5	120	−3	t092c	2.3	7.1	6.1
48	13	Jenks & Cattell	22	+1	21.0	—	6.5	—
306	187	Johnson Clnrs.	306	.....	ϕ17.7	2.3	3.6	17.8
298	227	Johnson Mthy. £1	298	+5	10.0	1.9	4.8	(13.8)
238	98	Johnston Grp. 10p	234	+2	4.0	6.2	2.5	9.3
87	64	Jourdan (T.) 10p	87	.....	3.25	0.6	8.6	(30.0)
48	35	Kalamazoo 10p	39	−1	2.5	0.9	9.5	16.8
170	135	Kelsey Inds.	140xd	.....	8.0	ϕ	8.2	ϕ
208	138	Kennedy Sm. 10p	208	.....	ϕ5.5	2.9	3.8	13.2
310	130	Kershaw (A.) 5p	130	.....	21.75	4.5	23.9	(21.3)
55	36	Kleen-E-Ze Hldgs.	39	.....	t3.0	0.2	11.0	—
68	44	L.C.P. Hlds.	57	.....	3.6	0.6	9.0	(32.9)
103	39½	L.R.C. Int. 10p	103	.....	t3.1	2.8	4.3	17.2
46	27	Lawtex	30	.....	—	—	—	—
440	277	Lep Group 10p	370xd	.....	17.5	1.7	6.8	(10.0)
37	22	L.Riestall 10p	22	.....	t2.5	—	‡	—
410	39	Lon. & Liv. 10p	352	+7	t2.45	2.4	1.0	51.3
116	78	London & Midl'd	102	.....	7.75	1.1	10.9	(12.2)
62½	36	Lon. & Nthn. Grp.	57	.....	t3.75	2.1	9.4	6.1
43	23	‡Lon. Priv. Health	38	.....	—	—	—	19.0
10	3½	Long Hmbly. 10p	8½	.....	B—	—	—	—
56	36	Longton Inds.	56	.....	1.0	—	2.6	—
72	33	Lonsdale Univsl.	65	.....	ϕ1.0	8.8	2.2	(11.9)
195	55	Low & Bonar 50p	70	.....	t7.0	0.6	14.3	(23.7)
27½	14	M.Y. Dart. 10p	18½	+1½	t0.21	—	‡	—
242	105	M'c'rthy Ph. 20p	210	+3	7.0	2.0	4.8	9.7
131	48	Macfarlane Gp.	131	+1	t3.2	2.5	3.5	14.0
49	28	Macfellan 20p	43	−2	d1.45	1.4	4.8	(18.5)
86	40	Macpherson (D.)	51	.....	4.2	1.5	11.8	7.4
62	45	Magnolia Group	46	.....	2.3	3.9	7.1	4.7
108	57	Man. Ship Can. £1	77	+7	B—	—	—	—
51	35	Marley	49	+1	2.25	1.5	6.6	(13.0)

LEISURE—Continued

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
151	90½	Intasun 10p	92xd	+1	3.5	4.8	5.4	4.7
182	112	LWT "A"	141	.....	11.08	1.1	11.2	11.3
190	116	‡Leisure Inds.	189	−3	ϕ6.8	3.0	4.5	9.0
108	64	Lexmotive Int 10p	108	+1	0.9	2.8	1.2	34.9
130	80	Magnet. Ag. N. 10p	112xd	.....	8.75	ϕ	11.2	ϕ
67	55	Medminster 10p	56	.....	4.0	0.8	10.2	17.6
275	105	‡Norsio Int 20c	125	+9	—	—	—	—
185	33	Norton & Wr. 10p	75	.....	t42.0	0.5	3.8	—
28	14	‡Owners Abroad	23¼	.....	u0.35	4.6	2.1	14.7
65	46	Photax (Lon.)	47	.....	t3.5	3.8	‡	3.0
480	149	Pleasurama 5p	480	+13	t14.73	5.2	14.1	1.9
113	88	‡Radio City 'A' NV	112xd	−1	g5.6	ϕ	7.1	ϕ
141	82½	Riley Leisure 10p	198	.....	24.1	1.7	4.2	19.9
179	84	Saga Hols. 20p	87	+3	d3.73	—	6.1	—
440	125	Samuelson 20p	345	.....	M32.0	ϕ	5.1	ϕ
107	76	Scott. TV 'A' 10p	98	.....	t7.0	3.8	10.2	3.6
43	21	‡SelecTV 10p	28	.....	—	—	—	—
18	13	TSW 5p	16	.....	0.9	3.3	8.0	5.4
52	28	‡TVS N/Vtg 10p	30	.....	—	—	—	—
100	55	TridTel TV 'A' 10p	69½	+4½	4.26	2.3	8.8	7.1
215	92	21st Century Dis. Con.	180	.....	—	—	—	—
27½	16½	Webb (Jos.) 5p	16½	.....	d0.51	2.2	4.4	(11.0)
93	69	Zetters 5p	82	+1	2.75	2.8	4.8	10.7

MOTORS, AIRCRAFT TRADES

Motors and Cycles

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
21	12	B.L. 50p	21	+1	—	—	—	—
51	38	‡Coleman Milne 10p	51	+2	d1.5	3.2	4.2	(8.2)
190	93	Gen. Mts. Units	189	−1	Q12c	—	4.0	—
267	133	Honda Motor Y50	269	+2	Q10%	8.4	0.4	28.0
32	14	Lotus Car 10p	26	−1	—	—	—	—
23	7	‡Reliant Motor 5p	21xd	+6	—	—	—	5.6

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCES

LEISURE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
220	75	Falcon Rh.50c	210	.....	Q25c	10.5	6.8
33	18	Wankie Col. Z$1	18	.....	tQ3c	1.2	9.3
21	12	Zam.Cpr SBD0.24	18	.....	—	—	—

Australians

Tins

Miscellaneous

NOTES

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency

Stock	Price	+ or −
Albany Inv. 20p	46	..
Bertrams	17	.....
Bog'wtr. Est. 50p	465	..
Craig & Rose £1	£121½	..
Finlay Pkg. 5p	31	..
Graig Shp. £1	£20	..
Higsons Brew	97	+1
Holt (Jos) 25p	870	+35
I.O.M. Stm. £1	87	..
Pearce (C. H.)	£11	...
Peel Hldgs.	157	..
Sindall (Wm.)	280	..

IRISH

Stock	Price	+ or −
Exch. 15pc 1983	£100½	+⅛
Nat 9¾% 84/89	£81¼xd	..
Fin. 13% 97/02	£92⅞	...
Alliance Gas	115	....
Arnott	195	.....
Carroll (P.J.)	78½	.....
Concrete Prods.	53xd	.....
Heiton (Hldgs.)	20	.....
Ins. Corpn Ireland	383	.....
Irish Ropes	26xd	.....
Jacob	90	.....
T.M.G.	95	.....
Unidare	44	....

OPTIONS

3-month Call Rates

Industrials

Stock	Rate
Allied-Lyons	15
BOC Grp	17
B.S.R.	6
Babcock	10
Barclays Bank	35
Beecham	35
Blue Circle	44
Boots	22
Bowaters	19
Brit. Aerospace	20
B.A.T.	50
Brown (J.)	4
Burton Ord.	24
Cadburys	11
Courtaulds	8
Debenhams	8½
Distillers	20
Dunlop	5½
Eagle Star	30
F.N.F.C.	4
Gen. Accident	30
Gen. Electric	24
Glaxo	90
Grand Met.	25
G.U.S. 'A'	50
Guardian	35
G.K.N.	15
Hawker Sidd	30
House of Fraser	15
I.C.I.	24
"Imps"	10
I.C.L.	8
Ladbroke	16
Legal & Gen	28
Lex Service	16
Lloyds Bank	35
"Lots"	4
London Brick	11
Lucas Inds	12
"Mams"	18
Mrks. & Spncr	16
Midland Bank	30
N.E.I.	9
Nat. West. Bank	38
P & O Dfd.	14
Plessey	50
Racal Elect.	45
R H M	6
Rank Org. Ord.	15
Reed Intnl.	26
Sears	9
T.I.	13
Tesco	3
Thorn EMI	38
Trust Houses	13
Turner & Newall	4
Unilever	65
Utd. Drapery	7
Vickers	12
Woolworth Hld.	15

Property

Stock	Rate
Brit. Land	7½
Cap. Counties	12
Land Secs.	26
MEPC	17
Peachey	14
Samuel Props.	10
Town & City	3

Oils

Stock	Rate
Brit. Petroleum	26
Burmah Oil	12
Charterhall	5
KCA	8
Premier	4
Shell	35
Tricentrol	22
Ultramar	42

Mines

Stock	Rate
Charter Cons.	28
Cons. Gold	40
Lonrho	8
Rio T. Zinc	42

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 23

Companies and Markets **CURRENCIES, MONEY and CAPITAL MARKETS**

FOREIGN EXCHANGES

Dollar and pound remain weak

The dollar and sterling continued to decline against Continental currencies and the Japanese yen in very quiet foreign exchange trading. In the absence of any new factors the market moved in a very narrow range after the dollar and pound had been marked down in the early morning.

Expectations of a reduction in U.S. interest rates were countered by speculation that European and Japanese rates are also likely to fall in the near future.

Nervousness about oil prices pushed sterling down to its lowest level since December 1979 against the D-mark, and since November 1978 against the Swiss franc and yen.

DOLLAR — Trade-weighted index (Bank of England) 117.0 against 121.3 six months ago. A change of emphasis towards fundamentals such as rising trade and budget deficits has pushed the dollar down recently. High interest rates had previously kept the U.S. unit firm, but the the Federal Reserve discount rate and bank prime rates are now following a downward path—The dollar fell to DM 2.3470 from DM 2.3610 against the D-mark; to FFr 6.6625 from FFr 6.6910 against the French franc; to SwFr 1.9570 from SwFr 1.9850 in terms of the Swiss franc; and to Y228.85 from Y229.15 against the yen.

STERLING — Trading range against the dollar in 1982-83 is 1.9265 to 1.5837. December average 1.6176. Trade-weighted index 83.5 against 83.5 at noon, 83.7 at the opening, 83.8 at the previous close, and 91.4 six months ago. Sterling remains weak against Continental currencies and the yen on fears of a worsening balance of payments and lower world oil prices. Higher London interest rates and the general weakness of the dollar have helped the pound recover from near an all time low against the U.S. unit however — Sterling weakened to DM 3.81 from DM 3.8350; to FFr 10.8050 from FFr 10.86875; to SwFr 3.1750 from SwFr 3.2250; and to Y371.50 from Y372.25. The pound touched an early peak of $1.6260-1.6270, but then declined steadily to a low of $1.6190-1.6200, before closing at $1.6215-1.6225, a fall of 25 points on the day.

D-MARK — Trading range against the dollar in 1982-83 is 2.5940 to 2.2410. December average 2.4225. Trade weighted index 129.1 against 124.7 six months ago. The D-mark is strong, helped by an improving balance of payments position and confidence in the Government's economic policy. It has benefited recently from the weakness of the dollar and sterling—The dollar fell through DM 2.35 in Frankfurt yesterday to be fixed at DM 2.3490 down and the general weakness of the 2.3555. Sterling was also weak at DM 3.8110 compared with DM 3.8320. Within the EMS the Belgian franc fell closer to its divergence limit of DM 5.074 per BFr 100, being fixed at DM 5.0800 against DM 5.0860 previously.

BELGIAN FRANC — Trading range against the dollar in 1982-83 is 50.21 to 38.12. December average 47.54. Trade-weighted index 94.4 against 94.9 six months ago. The Belgian franc has fallen sharply against the stronger members of the EMS amid increased speculation of a devaluation. This is despite the introduction of austerity measures to counter a weak economy and large budget deficit—The Belgian authorities spent the equivalent of BFr 5.4bn in support of the Belgian franc last week, according to figures released yesterday. This was compared with no intervention in the previous week. End-of-year trading had caused some of the franc's weakness due to the thin and erratic trading one source suggested, although it remains fundamentally weak and was trading close to its intervention point against both the D-mark and to a lesser extent the Dutch guilder. The Belgian unit's divergence indicator against its ECU central rate is now well outside its lower alarm bell limit. The D-mark rose to BFr 19.6955 yesterday compared with BFr 19.6692 on Tuesday and a limit of BFr 10.7085.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU January 6	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9704	45.2418	+0.60	+1.90	±1.5501
Danish Krone ...	8.23400	8.10506	−1.57	−0.57	±1.6430
German D-Mark	2.33379	2.29734	−1.56	−0.56	±1.0888
French Franc ...	6.61387	6.51443	−1.50	−0.50	±1.3940
Dutch Guilder ...	2.57971	2.54201	−1.46	−0.46	±1.5004
Irish Punt	0.691011	0.691958	+0.14	+1.14	±1.6891
Italian Lira	1350.27	1325.95	−1.80	−1.35	±4.1369

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Jan. 5	£	$		£ Note Rates
Argentina Peso...	70,563-70,603	49,040-40,090	Austria............	85.65 28.05
AustraliaDollar...	1.6420-1.6440	1.0125-1.0130	Belgium...........	77.50-78.50
Brazil Gruzeiro...	408.30 409.30	251.41-252.57	Denmark..........	13.38-13.52
Finland Markka...	8.6085-8.5240	5.2410-5.8450	France	10.75 10.85
Greek Drachma...	112.564-116.016	70.00-70.30	Germany...........	3.78¼-3.83¼
Hong Kong Dollar	10.84½-10.56½	6.5090 5.6140	Italy	8175-8235
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CURRENCY MOVEMENTS

Jan. 5	Bank of England Index	Morgan Guaranty Changes%
Sterling...	[illegible]	−37.5
U.S. dollar...	[illegible]	[illegible]
Canadian dollar...	[illegible]	−17.8
Austrian schilling...	[illegible]	+20.8
Belgian franc...	[illegible]	−6.0
[illegible]	[illegible]	[illegible]

Based on trade weighted changes from Washington agreement December 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Jan. 5	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling.......	—	0.684668	0.603877
U.S. $........	8½	1.11090	0.979466
Canadian $...	10.05	•	1.20278
Austria Sch.	4¾	18.3265	16.1540
Belgian F....	11½	51.4013	45.2416
Danish Kr....	10	9.20603	8.10506
[illegible]	[illegible]	[illegible]	[illegible]

THE POUND SPOT AND FORWARD

Jan 5	Day's spread	Close	One month	% p.a.	Three months	% p.a.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
W. Ger.	3.80-3.83½	3.80½-3.81½	1⅛-1⅛pf pm	5.12	4½-4 pm	4.46
Portugal	144.50-148.50	145.00-148.00	140-480c dis	−26.39	435-1420dis	−25.32
Spain	202.00-203.00	202.30-202.60	105-175c dis	−8.30	340-515 dis	−8.45
Italy	2194-2203	2198-2198	27-32lire dis	−16.11	86-92 dis	−16.20
Norway	11.26-11.31	11.27-11.28	3¼-4¼ore dis	−3.99	10¼-11⅛ dis	−4.01
France	10.78-10.83	10.80-10.81	10-13c dis	−12.77	35-38 dis	−13.51
Sweden	11.70-11.76	11.73½-11.74½	⅛-1¼ore dis	−0.77	4½-6½ dis	−1.70
Japan	370-374	371-372	1.30-1.10y pm	3.88	3.40-3.20 pm	3.55
Austria	26.70-26.85	26.78-26.81	10⅞-8⅞gro pm	4.42	29¾-24½ pm	4.04
Switz.	3.16⅞-3.20½	3.17-3.18	2¼-1¾c pm	7.56	5½-5 pm	6.61

Belgian rate is for convertible francs. Financial franc 78.20-78.30. Six-month forward dollar 0.87-0.82c pm. 12-month 1.30-1.15c pm.

THE DOLLAR SPOT AND FORWARD

Jan 5	Day's spread	Close	One month	% p.a.	Three months	% p.a.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
W. Ger.	2.3440-2.3550	2.3465-2.3475	0.71-0.66pf pm	3.50	1.96-1.91 pm	3.30
Portugal	88.00-91.90	89.50-91.90	100-300c dis	−26.67	300-900dis	−26.67
Spain	124.70-124.90	124.70-124.80	90-140c dis	−11.06	280-360 dis	−8.93
Italy	1353¼-1356	1354¾-1355¼	20-22lire dis	−18.60	80-68 dis	−18.16
Norway	6.9450-6.9760	6.9500-6.9600	2½-3½ore dis	−6.17	8½-9½ dis	−6.17
France	6.6500-6.6725	6.6600-6.6650	7-7½c dis	−13.26	23-24½dis	−14.24
Sweden	7.2220-7.2500	7.2225-7.2325	1-1½ora dis	−2.07	5-5½ dis	−2.90
Japan	228.15-229.70	228.80-228.90	0.55-0.48y pm	2.70	1.40-1.30 pm	2.36
Austria	16.45-16.52	16.46-16.47	4.70-3.90gro pm	3.12	13-10½ pm	2.85
Switz.	1.9525-1.9740	1.9565-1.9575	1.10-1.05c pm	5.59	2.80-2.75 pm	5.67

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 48.20-48.30.

EXCHANGE CROSS RATES

Jan. 5	Pound St'rling	U.S. Dollar	Deutschem'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.622	3.810	371.5	10.805	3.176	4.210	2197.	1.994	75.00
U.S. Dollar	0.617	1.	2.348	220.0	6.662	1.957	2.698	1355.	1.220	46.24
Deutschemark	0.262	0.426	1.	97.51	2.836	0.833	1.105	076.6	0.523	18.69
Japanese Yen 1,000	2.698	4.368	10.26	1000.	20.08	8.546	11.30	5814.	5.367	201.8
French Franc 10	0.925	1.501	3.526	343.8	10.	2.838	3.896	2033.	1.846	69.41
Swiss Franc	0.315	0.511	1.200	117.0	3.403	1.	1.326	692.0	0.628	23.62
Dutch Guilder	0.238	0.386	0.905	88.24	2.567	0.754	1.	881.0	0.474	17.81
Italian Lira 1,000	0.455	0.738	1.734	169.1	4.918	1.445	1.016	1000.	0.908	34.14
Canadian Dollar	0.502	0.813	1.811	186.3	5.418	1.508	2.111	1102.	1.	37.61
Belgian Franc 100	1.333	2.163	8.080	485.3	14.41	4.233	5.613	2929.	2.659	100.

FINANCIAL FUTURES

Trading subdued

Business levels remained subdued in the London International Financial Futures Exchange yesterday. With the possible exception of the Gilt sector, there was very little activity in a market lacking any renewed stimulus or clear direction. The March Gilt contract opened at 103.22 and eased to a low of 103.10 before recovering to finish unchanged from Tuesday at 103.20. Total lots traded were up, however, at 1,331 compared with 428 on Tuesday. The market was a little anxious with regard to sterling's poor performance although as one dealer pointed out, sterling has been relatively stable against the dollar.

The Euro-dollar sector was very quiet with little interest in the cash market and virtually static Euro-dollar rates. The March contract opened at 91.01, taking comfort from a fall on Tuesday in the Federal funds rate to 8⅝ per cent. Initial selling was absorbed by the market and a high of 91.07 was touched soon after the opening in Chicago. However, this level was not maintained and the March price closed at 91.04. There was little lead yesterday from the Fed funds rate with banks' published figure day in the U.S. ensuring some technical volatility in the rate.

Short sterling saw some selling late in the day although this was not attributed to a published fall in UK reserves, with the latter likely to take a little longer to digest. From being a market leader in volume terms the short sterling contract has attracted less interest lately with one dealer suggesting that the relative cost over and above the cash equivalent has increased significantly lately and may have proved to be an effective deterrent.

LONDON

3-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
March	91.04	91.07	91.01	91.03
June	90.69	90.72	90.64	90.63
Sept	90.40	90.42	90.38	90.35
Dec	90.05	90.05	90.05	89.95
March	89.50	89.50	89.50	89.51

Volume 614 (1,541)
Previous day's open int. 2,384 (2,084)

3-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

STERLING £25,000 $ per £

DEUTSCHE MARKS DM 125,000 $ per DM

SWISS FRANCS SwFr 125,000 $ per SwFr

JAPANESE YEN Y12.5m $ per Y100

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	77-09	77-15	77-07	77-04
June	76-21	76-29	76-19	76-17
Sept	76-06	76-12	76-04	76-01
Dec	75-25	75-30	75-25	75-20
March	75-18	75-21	75-17	75-11
June	75-11	75-16	75-10	75-04
Sept	75-05	75-06	75-04	74-30
[illegible]	[illegible]	[illegible]	[illegible]	74-25
[illegible]	[illegible]	[illegible]	[illegible]	74-21
[illegible]	[illegible]	[illegible]	[illegible]	74-17

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	92.20
[illegible]	[illegible]	[illegible]	[illegible]	91.86
[illegible]	[illegible]	[illegible]	[illegible]	91.56
[illegible]	[illegible]	[illegible]	[illegible]	91.28
[illegible]	[illegible]	[illegible]	[illegible]	90.99
[illegible]	[illegible]	[illegible]	[illegible]	90.77
[illegible]	[illegible]	[illegible]	[illegible]	90.43

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	90.26
[illegible]	[illegible]	[illegible]	[illegible]	91.24
[illegible]	[illegible]	[illegible]	[illegible]	90.84
[illegible]	[illegible]	[illegible]	[illegible]	90.51

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	90.65
[illegible]	[illegible]	[illegible]	[illegible]	90.26
[illegible]	[illegible]	[illegible]	[illegible]	89.94
[illegible]	[illegible]	[illegible]	[illegible]	89.74

STERLING (IMM) $ per £

	Latest	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	1.6220
[illegible]	[illegible]	[illegible]	[illegible]	1.6190
[illegible]	[illegible]	[illegible]	[illegible]	1.6175
[illegible]	[illegible]	[illegible]	[illegible]	1.6166

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	69-26
[illegible]	[illegible]	[illegible]	[illegible]	69-06
[illegible]	[illegible]	[illegible]	[illegible]	68-24
[illegible]	[illegible]	[illegible]	[illegible]	68-13
[illegible]	[illegible]	[illegible]	[illegible]	68-03
[illegible]	[illegible]	[illegible]	[illegible]	67-28
[illegible]	[illegible]	[illegible]	[illegible]	67-22
[illegible]	[illegible]	[illegible]	[illegible]	67-17
[illegible]	[illegible]	[illegible]	[illegible]	67-13
[illegible]	[illegible]	[illegible]	[illegible]	67-10

MONEY MARKETS

London rates steady

UK clearing bank base lending rate 10-10½ per cent (since November 29 and 30)

Interest rates were little changed in quiet London money market trading. Speculation increased that the Bank of England would soon cut its market dealing rates.

A shortage of £400m was forecast yesterday, and the Bank of England gave total help of £423m through outright purchases of bank bills at an unchanged rate of 10 per cent.

Bills maturing in official hands, and a net take-up of Treasury bills by the market drained £281m, while the unwinding of repurchase agreements drained £206m.

In the morning the Bank of England bought £359m bank bills by way of £27m in band 1 (up to 14 days maturity) at 10 per cent; £315m in band 2 (15-33 days) at 10 per cent; and £17m in band 3 (34-63 days) at 10 per cent. After lunch the authorities purchased another £23m bank bills in band 2 at 10 per cent, and £41m bank bills in band 4 (64-84 days) at 10 per cent.

In Frankfurt the German Bundesbank will not hold a press conference after today's central council meeting. This usually indicates there will be no change in credit policies.

In Amsterdam interbank rates already point towards a reduction in the Dutch central bank discount rate. The three month rate was 5⅜-5½ per cent yesterday, compared with 5⅝ per cent for borrowings by commercial banks from the authorities.

In Paris call money fell to 12⅛ per cent from 12¼ per cent, probably heralding imminent cuts in other key French interest rates. Yesterday's move was partly a reflection of ample liquidity in the banking system, and brings the level of call money to its lowest since the election of President Mitterrand in May 1981. The Bank of France also discounted around FFr 15bn of first category paper at an unchanged rate of 12½ per cent.

LONDON MONEY RATES

Jan. 5 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight........	—	8-10½	—	—	—	10-10½	8-10¼	—	—	—
2 days notice...	—	—	10⅜-10½	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	10⅝-10¾	—	—	—	—
7 days notice...	—	10¼-10⅜	10⅝-10½	—	—	10⅞	10-10¼	—	—	—
One month.......	10⅝-10½	10½ 10⅝	10⅛	11⅛-11	10⅝	10¾	10	10-10⅛	10⅛	10⅛
Two months......	10½ 10⅜	10⅛-10⅛	10⅛-10½	11⅛-10¾	10⅞	10¾	0⅞	10	10	10⅝
Three months...	10⅛-10⅛	10⅝-10½	10⅜	11-10⅝	10½	—	0¾	0¾-0⅞	0⅞-9⅞	10⅞
Six months......	10½-10⅛	10½-10⅛	10¼	10¼-10	10⅝	—	—	—	0⅞-0¾	10⅞
Nine months.....	10¼-10⅞	10¼-10⅜	—	10⅜-10¼	10⅜	—	—	—	—	—
One year.........	10¼-10⅜	10¼-10⅜	10¼	10½-10⅛	10⅝	—	—	—	—	—
Two years........	—	—	10¾-10⅞	—	—	—	—	—	—	—

ECCO Fixed Rate Export Finance Scheme IV Average Rate for interest period December 8 1982 to January 4 1983 (inclusive): 10.8333 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11-11⅛ per cent; four years 11¼-11⅜ per cent; five years 11¼-11⅜ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rate for four-month bank bills 9²⁷⁄₃₂-9⅞ per cent; four months trade bills 10¹⁵⁄₃₂ per cent.

Approximate selling rate for one month Treasury bills 9⅞ per cent; two months 9⅞ per cent and three months 9¾ per cent. Approximate selling rate for one month bank bills 10 per cent; two months 9¹⁵⁄₁₆-9³¹⁄₃₂ per cent and three months 9⅞ per cent; one month trade bills 10⁷⁄₁₆ per cent; two months 10⅜ per cent and three months 10⁵⁄₁₆ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 10½ per cent from January 1 1983. London and Scottish Clearing Bank Rates for lending 10-10½ per cent. London Deposit Rates for sums at seven days' notice 6¾-[illegible] per cent.

Treasury Bills: Average tender rates of discount 9.7204 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 10¾ per cent; one-three-month 10½ per cent; three-12-month 10½ per cent. Under £100,000 10¼ per cent from December 31. Deposits held under Series 3-5 10½ per cent. The rate for all deposits withdrawn for cash 8 per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

Jan. 5	Short term	7 days notice	Month	Three Months	Six months	One Year
Sterling........	10¼-10½	10⅜ 10½	10⅛-10⅝	[illegible]	[illegible]	[illegible] 10⅝
U.S. Dollar....	8⅛-0⅝	8⅛ 0⅝	8⅞-0⅛	[illegible]	[illegible]	[illegible]-0½
Can. Dollar	11-18	10½-11½	10 10¼	[illegible]	[illegible]	10 10⅛
D. Guilder......	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]-5½
S. Franc.......	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Deutschm'rk....	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]-5⅞
French Franc...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italian Lira.....	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]-24¼
Belg. Franc Conv.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]-13¼
Fin.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] 12¼
Yen............	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] 5¾
D. Krone......	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]-18
Asia $ Sing....	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]-9½

FT LONDON INTERBANK FIXING

(11.00 a.m. JANUARY 5)

3 months U.S. dollars		6 months U.S. dollars	
bid [illegible]	offer [illegible]	bid [illegible]	offer [illegible]

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Prime rate	11-11½
Fed funds (lunch-time)	9-9¼
Treasury bills (13-week)	7.84
Treasury bills (26-week)	7.96

GERMANY

Lombard	6.0
Overnight rate	5.95
One month	6.125
Three months	5.875
Six months	5.875

FRANCE

Intervention rate	12.5
Overnight rate	12.5
One month	12.5625
Three months	12.5625
Six months	12.5625

JAPAN

Discount rate	5.5
Call (unconditional) ...	5.58375
Bill discount (3-month)	7.03125

SWITZERLAND

Discount rate	6
Overnight rate	½-1¼
One month	2⁹⁄₁₆-2¹¹⁄₁₆
Three months	3⁵⁄₁₆-3⁷⁄₁₆

NETHERLANDS

Discount rate	5
Overnight rate	5½-5¾
One month	5⅜-5⅝
Three months	5⅜-5⅝
Six months	5⅜-5⅝

$ CERTIFICATES OF DEPOSIT

One month	8.70-8.80
Three months	8.70-8.80
Six months	8.70-8.90
One year	9.00-9.20

LONG TERM EURO $

Two years	10⅝-10⅞
Three years	11⅛-11⅜
Four years	11½-11¾
Five years	11¾-12

SDR LINKED DEPOSITS

One month	9⁷⁄₁₆-10³⁄₁₆
Three months	9¹⁵⁄₁₆-10³⁄₁₆
Six months	9⅝-10
One year	9½-9¾

ECU LINKED DEPOSITS

One month	12¼-12⅝
Three months	12⁹⁄₁₆-12¹⁵⁄₁₆
Six months	11¹³⁄₁₆-12³⁄₁₆
One year	11⅝-11⅞